INTEGRATED REPORTING <IR>

2020 revision of the International <IR> Framework

Responses to the 2020 Consultation Draft

Questions 11 – 15

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Responses to the 2020 Consultation Draft Questions

Question 11. Should paragraph 1.7 extend beyond providers of financial capital alone to include providers of other forms of capital?

Alan Willis, Independent

No. I support the argument for maintaining the primary focus on relevance to investors (as "providers of financial capital"), but the wording of para. 1.7 ("creates value over time") may be inadequate or misleading at present, because the full meaning of the fundamental broad concept of creating value is not explained to Framework users until parts 2A and 2B of the framework. Para.2.5 is particularly important in explaining the potential relevance to investors of value created for others, not just value created for the organization itself.

Alban Eyssette, SFAF

Undecided.

Amanda Nuttall, Think Impact Pty Ltd

Yes - this is thinking about integrated reporting more deeply. What is the power structures between suppliers and businesses - and long term stewardship...what are their expectations? What is imported /extracted capital within a location boundary? Yes, if integrated reporting is to be shared publicly as a tool for transparency, a wider audience should be considered. Truly integrated thinking that will guide reporting should be considering the value created for different stakeholder groups, and in the context of power structures between suppliers and businesses. When we consider long term stewardship, what are stakeholders' expectations from the business and how is that business responding? Given the relevance of those stakeholders in the integrated thinking process, they should also be considered as an audience for the report. The propensity to skew information will be higher when the audience is confined to financial investors and may result in a lack of accountability. Stakeholders should be encouraged to provide feedback on reports to ensure accuracy of information, portrayal, outcomes and representation.

Anant Nadkarni, Advisor Value Creation

Yes. Providers of all capitals signify how resources are raised and mentioning the source is vital, however briefly.

Anne Adrain, ICAS

Yes. Providers of other forms of capital also have a stake in how an organisation creates value over time. It is worth acknowledging that, in the UK, Section 172 of the Companies Act 2006 requires directors to consider a company's success in terms of the needs of a broader range of stakeholders beyond the providers of financial capital and includes employees, customers, suppliers, and the impact of the company's activities on the environment and the community.

April Mackenzie, External Reporting Board (XRB staff views)

No. 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 should meet many of the needs of any of the other capital providers. We highlight the XRB Position Statement on EER 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 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. This aligns with the primary stakeholders of entities applying global IFRS Standards. For the 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 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.

Aranzazu Piñeiro López, REPSOL

Yes. Even if providers of capital are main users of the information provided, the paragraph should refer to a broader scope of stakeholders, as integrated reports include more and more non-financial information that respond to expectations of different stakeholders.

Artie Ng, Independent

Undecided. There should be certain emphasis on how financial capital is allocated into various forms of intellectual capital in order to facilitate the execution of the business model as disclosed. Such intellectual capital would include human capital, technological infrastructure as well as innovation capital, such as R&D.

Aruni Rajakarier, SheConsults (Pvt) Ltd.

No. This will expand the reports exponentially and unnecessarily increase the liability of the preparer. We do need to remember that the Annual Report, integrated or otherwise, is given birth in the Companies Act or equivalent legislation to protect rights of shareholders. All other information included in the annual report must be relevant to the shareholders who are now expected to have a wider lens for measuring performance.

Bandile Manyana, Independent

Yes. This will promote and place joint primacy at the forefront. It will be better aligned with the fundamentals of integrated reporting as it encourages disclosure on all 6 capitals. It is important to start expanding on the relevance and importance of other capitals in the value creation process of the business, to delve into the “integrated thinking” principles that the integrated report is meant to display. This can give a business a competitive advantage. This will encourage a more equitable approach to integrated reporting.

Barry Cooper, Deakin Integrated Reporting Centre

No. Paragraph 1.8 must be read in conjunction with paragraph 1.7. Done this way, paragraph 1.7 does not need to be extended beyond the providers of financial capital as providers of other forms of capital are addressed in paragraph 1.8.

Begoña Giner Inchausti, European Accounting Association's Stakeholder Reporting Committee

Yes. We believe that an extension to “providers of other forms of capital” may enhance the organization’s accountability. We agree on the idea that this extension aligns with the fundamentals of integrated reporting and encourages disclosures on the full range of capitals on which organizations rely or have an effect. As recognized by a growing number of scientific and professional analyses, investors and other financial stakeholders (e.g., rating agencies and analysts) are more and more interested in the information provided by means of integrated reports. As such, we do not believe that the extension of the plethora of stakeholders would reduce the relevance of integrated reports to investors. However, it is not easy to identify a target audience that is consistent with a broader vision of the business function and also with the objectives and principles of the integrated report. Capital providers (broadly understood) determine the organization's governance. Executive Summary: not for all capitals there are clear and easily identifiable suppliers (for example, organizational, relational and natural capital). For example, is it possible to use "direct stakeholders and society at large" to avoid inconsistencies with para 4.20? Or use other formulas?

Brad Monterio, Institute of Management Accountants (IMA)

Undecided. This is a fundamental question that IIRC needs to resolve before it amends the Framework. The purpose of external reporting is to provide decision-useful information to external stakeholders that contribute resources to an ongoing enterprise. The needs of these external stakeholders drive the nature and contents of any report. In our view, a single report that reflects the contributions and returns to all stakeholders, including debt and equity investors, is theoretically possible. This more comprehensive view of an enterprise's resources and stakeholders is helpful, particularly in light of movement toward a multi-stakeholder perspective of corporate responsibilities (see Business Roundtable's Statement of Purpose of a Corporation, 2019). We note, however, that methodologies for measuring the return on investment for debt and equity investors are mature, while identifying and measuring the returns demanded by other contributors (such as customers, employees, and the community) is emergent and in its early stages. However, given the practicalities and current reporting systems and legal requirements, we are uncertain whether this can be achieved over the short- or intermediate term. Nevertheless, it is a worthwhile goal as methods and practices improve over the long-term. It will require advanced techniques to measure intangible or relationship value along with an expansive view of accumulated other comprehensive income (AOCI).

Brett Simnett, Radley Yeldar (RY)

Yes. To an extent. An integrated report should recognise and communicate to those stakeholder material to the financial success of the business.

Bronwyn Forsyth, Strategic Advisory and Communications

Yes.

Carol Adams, UNDP SDG Impact Team

Yes. It is worth acknowledging that providers of other capital have a stake in how an organisation creates value over time. Increasingly young people are choosing to work at organisations that have a positive impact on achievement of the SDGs. This becomes relevant to providers of financial capital.

Carol McAleenan, AngloGold Ashanti Limited

Yes. If the integrated report is for providers of all capital (not just financial capital), it aligns to the "wider impacts" suggested elsewhere in the Framework. Organisations should identify the broader providers of capital and disclose information in the Integrated Report required by the broader audience.

Christoph Deiminger, Arbeitskreis Integrated Reporting und Sustainable Management der Schmalenbach-Gesellschaft für Betriebswirtschaft e.V. (Working Group on Integrated Reporting and Sustainable Management of the Schmalenbach-Gesellschaft für Betriebswirtschaft)

Undecided. We have opted for "undecided", as we believe that the question asked finally seems to have a politically motivated background. We fully understand the pros and cons arguments put forward. We would like to point out that the scientific literature has been able to show the long-term compatibility of the shareholder and the stakeholder value concepts and that investors, as human beings, are also part of the society, the environment and thus possibly also offer other forms of capital than just the financial one. They do have the role of multi-capital providers. For these reasons, we suggest avoiding the term "provider of (financial) capital" in paragraph 1.7 and rather use the term "stakeholders" because this would meet the issue of the objective of IR much better. In particular, the term "stakeholders" also fits much better with the explanation given in paragraph 1.8. Paragraph 1.7 in its current form is actually misleading as a focus on financial capital contradicts the multi-capital approach of the framework. In our opinion, the proposed reference to "providers of other forms of capital" with the added footnote, mentioning the diverse capitals, seems to be too complex for readers of the framework that do not yet have an understanding of the concept of IR. The IR approach of the different capitals is explained much later in the framework. It is not self-explaining at this first page of the framework. Therefore, in order to be clear and understandable paragraph 1.7 should just refer to "stakeholders". If our proposition is not seen as favorable at this point in time, we would like to propose the following alternative wording in paragraph 1.7 : "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." It would also be possible to opt for a formulation like:

"(...) for providers of financial as well as of other forms of capital [insert a reference to the concept of the capitals here]." This would maintain the primary focus on providers of financial capital, while emphasizing other types of capital and their providers. We do see great importance to change the formulation of para. 1.7 as it has been a reason for quite a lot of criticism to the IIRC and its framework. People have put forward that this phrase and some related others that follow in the framework show that the framework is not based on a stakeholder but a shareholder view which is in conflict with a neutral and unbiased interpretation of "integrated thinking". Therefore, we do regret that this issue of Topic Paper 3 has not yet been incorporated into this current revision project of the framework. Taking into account the current global political and institutional power game situation with regard to non-financial reporting, we can on the one hand understand that the IIRC is reluctant to take a clear position concerning the stakeholder approach, as the protagonists of the shareholder value approach in the market might (for the time being) still be more powerful. On the other hand, we are convinced that the idea of a pure, unbiased stakeholder oriented "integrated thinking" globally will be the approach in the long run. Therefore, this view would need a strong institutional protagonist already now and the IIRC would be the most suitable institution to take over this role.

Christopher Joy, Hong Kong Institute of CPAs

Undecided. The possible inclusion of other capitals aligns with the fundamentals of integrated reporting, but care needs to taken not to negatively affect the conciseness of reporting which is very important.

Cora Olsen, Novo Nordisk

Yes.

Cornis Van der lugt, University of Stellenbosch Business School

No. Moving the focus away from financial capital providers will remove the focus of IR, and result in its mission / content being confused with that of the GRI / sustainability reporting. In South Africa, research shows that IRs that target all stakeholders fail to engage investors. If anything, IIRC should improve definition of "the providers of financial capital", essentially referring to economic stakeholders... i.e. stakeholders with commercial / transactional relations with the enterprise (incl employees, pensioners, suppliers, investors, lenders). They look at long term health of the entity with a special interest. What about capitals / resources that are exchanged without appropriate market prices applied under current regulatory conditions? In such cases (e.g., some natural capital supplies), the responsible investor / lender has to raise their cause. Of course, we need to educate investors and lenders. Responsible investors and lenders have interest in all types of capital. But the IR interprets the consequences of the state of and interrelations between six capitals from the perspective of longer term strategy, performance metrics and financial indicators. The timeframe is the critical factor, not financial vs non-financial. We need to be able to distinguish between capital type, stakeholder type and methodology. It is sustainability reporting (SR) that speaks to all stakeholders, stakeholders that apply different methodologies in assessing performance and strategy.

David Hackett, CIMA

Yes. CIMA supports amending paragraph 1.7 of the IR Framework aiming a shift in focus from an investor lens, to a broader stakeholder lens. However, we would encourage the framework to remain relevant to investors and would urge the IIRC not to lose this perspective as it is the fulcrum of the financial system.

Departamento Contaduría Pública Departamento Contaduría Pública, Universidad Central

Yes. In our view, the supremacy of investors in the IR framework is inconsistent with the idea expressed about the creation of shared social and organisational value. In fact, without clarifying the purpose of an integrated report and its users, the concept of value creation is weak and misleading. We, therefore, agree to extend paragraph 1.7 beyond financial capital providers to include providers of other forms of capital on equality conditions. Moreover, this extension should be at the heart of the guiding principles, directives and contents of the integrated report and not only in paragraph 1.7.

Edeltraud Guenther, United Nations University

Yes. Only by including providers of all capitals integrated thinking will be implemented.

Elizabeth Middleton, Independent

Undecided. Should it not state all providers of capital?

Fabio Silva, Eletronorte

Yes. It must be included on glossary.

Fay Hoosain, IRC of SA

Yes. However, we qualify our answer given in the defined response box as follows: We believe there is no need to specifically reference the term 'providers of capital' in paragraph 1.7 and that reference to all providers in paragraph 1.8 (with the inclusion of providers of financial capital as stated in the Consultation Draft) suffices. We say this based on three main reasons: - Firstly, the integrated report is the organisation's explanation of how it creates, preserves and erodes value over time. It is the story of the organisation containing all the information and matters material to its process of value creation, preservation or erosion. As such, it will be relevant to all providers of capital / stakeholders who are interested in the longer term sustainability / viability of the organisation. - Second, this is consistent with the rightful position of the integrated report as the 'roof', 'umbrella, 'first read', or the 'head of the octopus' in the corporate reporting suite (see the IRC of South Africa's FAQ on The Octopus Model) - Third, as directors of a company owe their duties to the company, so too should their reporting be to the company. Our view does not mean that the integrated report attempts at being 'all things to all stakeholders' with preparers confused as to whether the content of the report should meet all stakeholders' information needs. The content of the integrated report will always be dictated by the Guiding Principles under the overarching perspective that the integrated report is the value creation, preservation or erosion story of the organisation. Nor does our view lessen the integrated report's relevance for the investment community: the materiality determination will remain unchanged as it addresses all matters material to the organisation's value creation, preservation or erosion process over the short, medium and long term. The above is consistent with, and is further elaborated on in, the IRC of South Africa's FAQ on The Audience of the Integrated Report. It states: 'It is the view of the IRC, (after consideration of the above), that the organisation's integrated report need not state a specific target audience because the integrated report is an explanation of the organisation's value creation process over time. As such, the integrated report will appeal to all stakeholders interested in the organisation's ability to create value and is positioned as the 'first read' after which stakeholders may choose to access more detailed information (as explained in The Octopus Model approach to the corporate reporting suite on page 2, second bullet point).'.

Francesca Flamini, Enel SpA

Yes. Extending the interest about integrated report to other providers of capitals (other than financial) may enhance compliance with the scope of integrated report itself.

Gail Boucher, Principles for Responsible Investment

No. The PRI believes the wording to represent well the intended audience of the report, being the 'providers of financial capital'.

Gianmario Crescentino, ASSIREVI - Association of the Italian Audit Firms

Undecided. The Framework has always been characterized by its focus on providers of financial capital as its intended users. In the last 10 years a number of discussions have developed around the integration of financial and non-financial capitals also across other frameworks and reporting standards, as financial stakeholders are going deeper in their understanding of the impacts of non-financial capitals on financial capital and vice-versa. Indeed, providers of other forms of capital are looking at integrated reporting with increasing interest. In this context, and in order to make the Framework more inclusive as to its intended users on one side, and maintain the difference with other standards and framework on the other side, the paragraph should extend intended users to include providers of other forms of capital, but keep the focus on providers of financial capital.

Graham Terry, Independent

Undecided. This issue has been debated at length in many forums. I agree that 'providers of financial capital' should be taken out of paragraph 1.7. I think things have moved on since 2013 and that the world is recognising that a range of stakeholders contribute to the value creation of organisations. However, I do not agree that referring to stakeholders in paragraph 1.7 is necessarily the answer. I think the paragraph should read as follows – "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." Paragraph 1.8 should be revised as suggested in the Consultation Draft to read as follows – "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." In my view this wording better suits the situation. Paragraph 1.7 explains the purpose of an integrated report without having say who it is prepared for, which I believe is unnecessary. It seems that some providers of financial capital believe that by broadening the 'audience' for integrated reports it will result reports being 'dumbed down' to meet the needs of other less informed stakeholders. In addition, it is suggested that integrated reports would be much longer to accommodate their needs, thus affecting the principle of conciseness. I do not agree with this view. Integrated reports are prepared in accordance with the guiding principles and not with a view to who the readers are. Therefore, I do not see that integrated reports will change because of the suggested wording change. Furthermore, I do not believe providers of financial capital will avoid using integrated reports because of the wording change. Integrated reports will provide the same information as previously provided. The revised wording of paragraph 1.8 is needed to include providers of financial capital with other stakeholders.

Graham Terry, The South African Institute of Chartered Accountants - Cape Town Discussion Group

Undecided. The discussion group felt that both options can be problematical. Those charged with governance have a duty to the entity they govern. There are times when trade-offs need to be made between the interests of stakeholders to ensure the sustainability of the entity. This has been particularly evident during the COVID-19 epidemic. The discussion group felt that it was not necessary to identify for whom the report is written as the report content is not affected by the defined recipient. It is prepared in accordance with the guiding principles. It felt that an appropriate solution would be to use the following wording. "The primary purpose of an integrated report is to explain how an organisation creates value over time." The discussion group supports the proposed change to paragraph 1.8. It was noted that if independent assurers are asked to report on the integrated report and provide some form of assurance, they may be reluctant to do so unless the framework's reporting principles make it clear that it has been prepared to serve all providers of capital. In the case of shareholders of a company; their needs are reasonably capable of determination. The assumption is that IFRS meets their needs and the auditor can comfortably report in accordance with the IFRS standards or any regulatory framework. Assurance providers will be reluctant to provide assurance if the needs and expectations of the "other providers of capital" are not clear and recorded in the integrated reporting framework.'.

Habeebu Rahman Kadavan, Pondicherry University

Yes.

Hendrik Rosenthal, CLP Holdings Limited

No. Paragraph 1.7 currently states the primary purpose of an integrated report. Adding providers of other forms of capital as primary readers could make it more difficult for preparers to produce concise integrated reports. Instead, the Framework could add that report preparers should note that a well-managed organization should also report to other stakeholders besides providers of financial capital via an integrated report and/or other reports, with links provided where applicable. Instead of listing providers of other forms of capital as primary readers, an organization could consider them as an integral part of their stakeholders.

Henry Daubeney, PwC

Yes. This has been a much debated point since the time of the development of the framework. We do believe that corporate reporting should go beyond shareholders to stakeholders and the experience from our clients is that they are talking to multiple audiences through their annual report already. In a post pandemic world we see this taking greater hold as the interdependency between business, society and government has come into focus. It is important that companies are supported by the framework to implement this broadening of audience without compromising a concise report as they seek to balance the needs of multiple audiences. The determination and disclosure of materiality in the context of value creation and acknowledging the role of integrated reports (as a top layer report) in a wider suite of reporting (financial statements, climate reporting, sustainability reports etc.) will be critical to support this.

Huey Jiuan Yan, HELP University

Undecided.

Ian Kramer, CFO Forum

Yes. If the integrated report is for providers of all capital (not just financial capital), it aligns to the “wider impacts” suggested elsewhere in the Framework. Organisations should identify the broader providers of capital and disclose information in the Integrated Report required by the broader audience. The reference to all providers in paragraph 1.8 is sufficient, no specific reference is required in paragraph 1.7.

Inés García Fronti, Buenos Aires University

Yes. The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time but may be possible to include 'providers of other forms of capital' as secondary users of the integrated report without reducing the usefulness of the information for investors.

Innocent Okwuosa, Nigerian Integrated Reporting Committee

Yes. We are of the view that extending paragraph 1.7 beyond providers of financial capital alone to include providers of other forms of capital is a recipe for a loss of focus that will make integrated reporting suffer the fate of other non-financial reporting frameworks. The major thing that is keeping the momentum for integrated reporting is its objective to provide information for providers of financial capital. Extending beyond providers of financial capital may be problematic on account of identification and information needs of all providers of capital. While it is possible to clearly identify providers of financial capital, the same cannot be said of providers of all capital. Take the case of natural capital, is the host community, the provider of natural capital or its custodian? Providers of natural capital vary from jurisdiction to jurisdiction and may be the host communities in some countries but in some developing countries, the state may appropriate some natural capitals through legislation while leaving others to the host communities of ungoverned territories. Jurisdictional peculiarities make the identification and definition of providers of natural capital problematic. Nor do some host communities who may be deemed providers of natural capital have proprietary interest. This is the case when they do not know the value of natural capital they are deemed to provide as it takes the knowledge of Multi-National Corporations (MNCs) who exploit these natural resources to know their worth. Such providers also lack capability to exploit and convert such natural resources into useable products. For example, the popular saying ‘gold is meant for those who know its value’ captures identification problem of providers of natural capital here. We are of the opinion that IIRC framework extending its objective to providing information that meets the needs of all providers of financial capital will be mission impossible and will detract rendering such report ‘jack of all trades master of none’. It should be noted that presently, while providers of financial capital can compel those charged with governance to provide financial report, the same cannot be said of sustainability and similar reports that address the information needs of providers of other capital which are voluntary. It is the desire to provide information for providers of financial capital that can make IR gain traction among preparers and users. Besides, if integrated reporting aims to meet the information needs of all providers of capital, then IIRC will be back to initial idea of providing information that will replace the current annual report in which it will provide all financial and non-financial information. This idea was abandoned at a point in the IIRC IR journey, is there a rethink now? Does IIRC want to replace all those operating in those parts of the landscape of corporate reporting? How can the term conciseness apply? IR can no longer be defined as "a concise report." Above all, the information needs of the six capital providers are diverse and sometimes conflict. Navigating these contradictions to find a balance will be daunting to attain and can weaken the objectives of IR. More focus will be achieved by remaining within the confines of providers of financial capital.

Irina Paschke, Kirchhoff Consult AG, Hamburg

No. The IIRC should clarify and reconfirm the role/purpose of the integrated report as investor-focused corporate communication. As such, the primary addressees should remain the providers of financial capital. Our concern is, that one report designed to meet all stakeholder interests would increase the volume, prevent conciseness and include less relevant information for the investor.

Ivan Topolya, Independent

Yes. For the integrated report to be relevant for all stakeholders in a cohesive and sustainable world it should be addressed to all of the organization's stakeholders and all providers of capital.

J Robert Gibson, Hong Kong University of Science and Technology

No. It is critical that they are CONCISE if they are to be effective in improving capital allocation decisions and management of companies. Most current they are not sufficiently CONCISE. Adding this requirement would make it impossible to produce CONCISE. Rather than expanding the purpose of the Framework should note that a well-managed company will need to report to other stakeholders besides providers of financial capital and should use other reports to do this. Further to ask them to concisely advise how they handle this reporting and provide a link to where details of the reports other reporting can be found.

Jake Atkinson, Climate Disclosure Standards Board

No. Such a venture would require a lot of theoretical thinking and explanation and seriously risks diluting the theory of change of integrated reporting.

Jayantha Nagendran, Smart Media (Pvt) Limited

Undecided. The question is flawed. Paragraph 1.7 refers to the "primary" purpose of an integrated report, not the only purpose. The question incorrectly interprets this through the expression "...providers of financial capital alone..." Annual reports of organisations primarily target investors (providers of financial capital). With the adoption of integrated reporting they become integrated annual reports which take a wider view through the multi-capital approach. But the primary audience is still the same, while being more informative for all stakeholders. The latter aspect is amplified in paragraph 1.8 which establishes balance. The shift to integrated reporting gives investors a better understanding of the organisation and its operating environment, how the value it derives for itself is linked to the value it delivers to stakeholders over the short, medium and long term, and as a result how stakeholders become forms of capital for the organisation. It thus serves to wean investors away from an entrenched short-term profit maximisation goal with scant regard for the rest (Shareholder Theory) to a more sustainable view of the organisation and its purpose (Stakeholder Theory). One cannot be too prescriptive on targeting. For example, some organisations produce a single integrated annual report, while others prepare a separate sustainability (or ESG) report in addition for targeting a broader spectrum. Likewise, some also prepare executive summaries, videos and the like to reach a global audience through digital channels including social media.

Jo Cain, Materiality Counts

Yes. A strength of IR has been the support received from investors for IR as a valuable form of reporting. But IR is based in the six capitals, hence it is logical to encourage its use by providers of all six capitals and the different stakeholders that represents. A succinct example of a provider of each capital would add value.

Johannes Dumay, Macquarie University

Yes. As was seen from the initial responses to this change investors are not getting themselves involved in, so then why are they the primary audience.

John Gill, CPA (Australia) retired

Yes.

John Purcell, CPA Australia

No. In answering in the negative we make a number of cautionary comments. There is, we believe, some risk associated with adoption of possibly unquestioning views that providers of financial capital are deeply engaged basing investment decisions on standalone integrated reports, and that as it stands is capable of generating cost of capital benefits. CPA Australia has invested considerable research effort examining both the information needs of stakeholders and links between ESG disclosure practices and cost of capital gains. The evidence points to a multiplicity of factors driving information utility. Integrated reporting both now and well into the future requires a context, or focus, of whose information needs are being served, and this, in a market-based economy should be those with a financial stake – otherwise its development would lack clarity of direction. Nevertheless, as currently presented, paragraphs 1.7 and 1.8 present a false dichotomy in relationships by suggesting, as far as stakeholders are concerned, a passive interest in both the disclosure and the underlying conduct. When compared with the subsequent discussion in Part 2B (Value creation for the organisation and others) a more interrelated intent is evident. For example, this intent is evident in the para. 2.6 reference to 'social licence to operate', to which we would add recent developments around inclusive capitalism. Therefore, either as part of a rewording of para. 1.8 or as future reshaping of the Framework towards a conceptual framework for corporate reporting, there is a need to acknowledge a more holistic constituency of interest.

Jona Basha, Accountancy Europe

Yes. Accountancy Europe supports amending paragraph 1.7 of the Framework aiming a shift in focus from an investor lens, to a broader stakeholder lens. Considering the broad support (79%) from the surveys on Topic 3, we hoped the IIRC would have addressed this important issue in this Consultation Draft. Therefore, we build on our previous comments as submitted in our response to the survey on Topic 3. We note that only rewording this paragraph may not be enough to serve the purpose intended: the purpose of the integrated reporting and the materiality lens should also be considered. We provide some considerations on these items below: Extending on the purpose of the integrated reporting: we suggest aligning paragraph 1.7 with the proposals in paragraph 4.20 to include the organisations' wider impacts as a purpose of the integrated report. The paragraph could be re-worded to read: 'The primary purpose of an integrated report is to explain to providers of capital how an organisation creates, preserves and erodes value. The integrated report enables users to evaluate the organisations' wider impacts, therefore it contains relevant information, both financial and other'. Revising the materiality lens: we suggest the IIRC to review the definition and process of determination of materiality (section 3D of the Framework) for it to be broader stakeholder focused. The IIRC may consider our considerations on materiality in our paper Interconnected Standard Setting in building this guiding principle. Finally, we also suggest the IIRC to collect feedback from stakeholders other than investors on how they perceive the Framework and how would their needs and concerns be better addressed. To this end, we refer to our Core & More work which aims to present corporate reporting in a smarter way and has gained wide support among our stakeholders.

Jose Luis Lizcano Alvarez, Spanish Association of Accounting and Business Administration (AECA)

No. For now, financial capital providers should be the primary recipients of this type of report, until it becomes highly relevant and can be opened to other stakeholders.

Joshua Rayan, Joshua Rayan Communications

Yes. It certainly must. It is about time all providers of capital are given prominence and not just financial capital providers.

Juliet Taylor, WBCSD

No. As we said in our response to the March 2020 consultation, the proposed extension implies that there are equivalent "representatives" to 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," we think that the extension of the audience to "providers of other forms of capital" dilutes the objective of integrated reporting, and would need sufficient guidance as well as more radical changes to the Framework. It may instead be useful to say that the needs of other audiences, in particular those with interests beyond financial capital, could be met by following other Frameworks or initiatives including GRI, multi-capital score card, R3.0's blueprints, the Capitals Coalition etc. As the preamble to question 12 indicates, the Framework can be used on conjunction with other Frameworks and we would support reference to specific tools, frameworks and initiatives that elicit information for users of information other than providers of financial capital and that should be used in conjunction with and under the umbrella of integrated value creation.

Karen Koch, Eskom Holdings SOC Ltd

Yes. Focusing on providers of financial capital perpetuates the bias towards financial capital to the exclusion of other capitals. The audience of the integrated report should include all providers of capital, within the principle of materiality.

Kazuhiro Yoshii, The Corporate Reporting Users' Forum Japan

Yes. We urge careful consideration in adding explaining to capital providers other than financial capital providers how an entity creates value over time into the primary purpose of an integrated report. Financial capital providers here is assumed to be users of financial information including analysts. We understand that the integrated report selects corporate information which is material from the viewpoint of financial capital providers from a large amount of non-financial information and integrated the selected non-financial information with financial information for disclosure. We believe that it is essential for the integrated report to provide and explain corporate information by narrowing down the main audience to financial capital providers, selecting information to be disclosed, and associating it with a business model that creates corporate value. We recognize that EU's disclosure guidance of non-financial information requires not only the perspective of the impact of non-financial elements such as the environment on the financial condition of the entity, but also the disclosure of the impact of the corporate activities on the outside (for example, climate) and that the idea of multi-stakeholder capitalism has been taken up at the Davos Conference and USA's Business Roundtable. However, as what is important depends on each audience, even if an entity aims to disclose its information that satisfies all audiences, it is highly likely that information disclosed will be defocused for each audience. We believe that such disclosure has high risk to result in inefficient disclosure of information that is not used so often while containing an excessive amount of information. We think that an entity should only disclose the impact of its business activities on other stakeholders in its integrated report if it is likely that the entity's financial information will be materially affected in the future by the impact. The impact will be disclosed as an outcome linked to the business model. The primary purpose of the integrated report is to disclose material corporate information including non-financial to financial capital providers, and regarding the provision of information to other stakeholders, only the items that could have a material impact on the financial capital of the entity should be included in its integrated report. Other items should be disclosed by other means such as a website. However, it is desirable that the integrated report should include a map of corporate information disclosure including other means at the beginning of the report. We believe that these measures will lead to the provision of useful information.

Kelli Favato, Independent

Yes.

Kevin Dancey, International Federation of Accountants (IFAC)

No. IFAC is strongly opposed to extending paragraph 1.7 (purpose of an integrated report) beyond providers of financial capital to include providers of other capital. IFAC believes that the primary user of an integrated report must remain providers of financial capital to achieve focus. We do not believe it is possible to effectively meet the communication needs of all stakeholders in a single, concise report. Widening the intended audience will likely dilute information in the report and impact its usefulness and conciseness. It may also have unintended implications for any assurance engagement. Consideration of a broader range of stakeholders is a key part of integrated reporting and understanding value creation, but our view is that the integrated report itself should not necessarily be a means to report directly to all stakeholder groups (although other stakeholders may be interested in its content and the organization's ability to create value, as already highlighted by para. 1.8). The integrated report may not be the most appropriate communications channel for all stakeholders, for example human capital is arguably one of the most important for any organization, but the integrated report should not be the primary form of communication to the providers of human capital (i.e., employees).

Leda Romero, Kellun

Yes.

Lisa Martin, Sustainz Business Solutions Limited

Yes. The statement does specify 'primary' purpose, therefore does not imply exclusivity. Could add something like "However, the integrated nature of the report is such that it is relevant to providers of all capitals....".

Loshni Naidoo, SAICA

Yes. There are many providers of capital who will be interested in the different capitals' disclosures made by the organisation, e.g., within the broader public sector, the entity uses taxpayers' money who are the providers of financial capital. The money is not provided voluntarily and there is no investment decision, but these providers are interested in what happens with their money. As such, suggest that organisations disclose who their providers of the various capitals are. Clarification on whether the outcomes are aligned to the intended readers of the report is required, as it does appear that the disclosure on outcomes will interest more than only the providers of financial capital. Suggested rewording of paragraph 1.7, provided by a member: "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." Following on, suggested rewording of paragraph 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."

Lydia Tsen, Chartered Accountants Australia and New Zealand

No. We consider it important that providers of financial capital remain the primary audience for an integrated report. It is unlikely that a single report could effectively meet all the communication needs of multiple stakeholders and requiring this could both limit the usefulness of information and lead to assurance challenges. However, in order for the framework to remain flexible and fit for purpose across multiple jurisdictions, we recommend that IIRC acknowledge both the influence of secondary audiences and users, as well as other frameworks and legislation which may be relevant to those parties. Doing this is particularly important as it helps to position the Framework as an overarching body of rules around how best to communicate value to stakeholders. We also consider that the relationship and connection between paragraphs 1.7 and 1.8 should be strengthened. Doing so could be particularly helpful to illustrate the priority placed on providers of financial capital against the ongoing backdrop of other stakeholders and their (potentially competing) interests.

Manuela Macchi, Independent Sustainability Director and Associate partner YourCEO

Yes. To create alignment with NFI.

Maria Angelica Costa, Modena & Ana Consultores Associados

Yes. Yes, it is important for changing the culture to multicapitalism, but "stakeholders" should be better than "providers of other capital".

Marina Michaelides, AUASB

Yes.

Mark Babington, Financial Reporting Council

Undecided. We support a reporting model that considers the interests of a broader group of stakeholders going beyond the investors. That said, we recommend that the IIRC re-visits the purpose and audience of the Integrated Report. On the one hand, the audience of the integrated report could be extended to include other capital providers. Alternatively, the Integrated Report could be distinct from the current annual report, more akin to a sustainability report focussed on a different audience e.g., other stakeholders rather than investors.

Mark Hucklesby, Grant Thornton International Limited

Yes. Reflecting in the updated Framework that value can be preserved or eroded is a critical feature of the framework. We would like to suggest that in addition to focusing on the preservation and erosion of value, enhancement of value is also specifically referred to. In our opinion, it is critical that in every there is commentary on changes to value in both the short, medium and long term.

Martin Fryer, Mercury NZ Limited

Yes. Encouraging disclosure on the full range of capitals will lead to improved transparency which is value to and relevant to investors.

Milan van Wyk, University of Johannesburg

Yes. In our view, we agree that 'providers of financial capital' should be removed from paragraph 1.7 to allow for a wider inclusion of providers of capital. Reporting has evolved since the introduction of IR and that the world is recognising that a range of stakeholders contribute to the value creation of organisations. A good example of this is Facebook and how its value decreased through the mistrust in protection of the personal data of their users. However, I do not agree that referring to stakeholders in paragraph 1.7 is necessarily the answer. In addition, we recommend that paragraph 1.8 should be revised to read as follows - "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." In our opinion, this wording would be more appropriate. Paragraph 1.7 explains the purpose of an integrated report without having say who it is prepared for which I believe is unnecessary. Paragraph 1.8 then highlights the stakeholders who have an interest in an integrated report including providers of financial capital. This solution is not of our making, but rather has been suggested at other meetings and discussions on the matter.

Monique Pattillo, Calvert Research and Management

Undecided.

Mosireletsi M Mogotlhwane, Botswana Institute of Chartered Accountants

Yes. The moral of integrated reporting is to appreciate and acknowledge providers of other form of capital apart from providers of financial capital in value creation. An integrated report therefore should be drafted to communicate relevant information to various stakeholders and providers of various forms of capital. As it stands, paragraph 1.7 implies that an integrated report is meant for the use of providers of financial capital only and this goes against the primary principle of integrated reporting. Paragraph 1.8 only comes as additional and does not have the same amount of dominance as paragraph 1.7.

Muhammad Imran, CSRCP

Yes.

Nadia Schoeman, Kumba Iron Ore Ltd

No. If you expand the report to include all stakeholders it will be more difficult to have a focussed and concise report - the Integrated report should be focussed towards providers of financial capital, we purposefully split information of value and materiality for our broader stakeholders in a separate Sustainability report and this works very well - all the information is released to the market at the same time but aimed at specific needs of our various stakeholders.

Naveed Abdul Hameed, FCA, The Institute of Chartered Accountants of Pakistan

Yes. The provider of natural capital is NATURE itself. How can nature be the user of the integrated report? However, para 1.7 should extend beyond providers of financial capital to include other stakeholders (employees, customers, suppliers, government, and community). The term 'providers of other forms of capitals' is technically not correct.

Nick Ridehalgh, Australian Business Reporting Leaders Forum

No, there needs to be one primary audience to enable the materiality process to be undertaken. The matter of an integrated report's relevance to other stakeholders is addressed if paragraph 1.8 is read with paragraph 1.7.

Nimet Vural, Independent

No.

Nowmitta Jahanzaib, ICMAP

Yes. Because other forms of capital like debt or loans equally depict what value has been created because of them for instance if any asset has been purchased and due to its acquisition, the value of organisation has increased overall then we must give merit to this form of financing.

Nur Syaida Wan Muhammad Maznin, Malaysian Institute of Certified Public Accountants

Yes. We are of the view that it should be extended to 'providers of other forms of capital' as rightly pointed out, this aligns with the fundamentals of integrated reporting and encourages disclosures on the full range of capitals on which organisations may rely on. However, the reality is that financial capital is always the main capital of an organisation, as compared to other forms of capital. We therefore suggest to give the flexibility of users if they wish to emphasise more on financial capital.

Nurmazilah Dato' Mahzan, Malaysian Institute of Accountants

Yes. We agree with the proposed change for Paragraph 1.7 and the consequential amendment to Paragraph 1.8 as it now serves a wider pool of stakeholders. 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. On the other hand, the coverage of a wider stakeholders may cause the materiality assessments to be more complicated given the current lack of understanding of the concept of materiality under which is different from, for example, materiality under sustainability reporting. Further guidance on materiality assessments especially when considering various stakeholders would be helpful. Assessment of materiality would also have an impact on assurance engagements.

Omair Jamal, Independent

Undecided. We suggest that "providers of financial capital" may be replaced with "users of the report".

Patrick Kabuya, Africa Integrated Reporting Council

Yes. Fully agree: the need to extend beyond providers of financial capital alone to include "providers of other forms of capital. This is supported by a number of factors. The value creation concept in the Framework is based on the premise that the organizations uses the six (6) capitals to create value. Therefore, its important that the report incorporate all providers of these 6 types of capital. We see many examples in Africa where Community provide land to mining companies. In this regard, its evidently clear that the Community, as provider of natural capital, should be included as providers of capital. Organizations should disclose their respective providers of capital.

Paul Hurks, NBA

No. In our view should encourage inclusion of all relevant capitals in the process of decision making by the primary users being the providers of financial capital. A broader focus may not be realistic.

Penny Gerber, Pick n Pay Stores Limited

Yes. The integrated report is for all stakeholders - particularly if preparers are expected / encouraged to report on their organisation's broader outcomes and impacts. However - providers of debt and equity capital remain the principle users of financial reports - and meeting their needs adequately and transparently should remain the primary objective.

Priyanka Mathur, Confederation of Indian Industry

Yes.

Reina Mizuno, Japanese Institute of Certified Public Accountants

No. Integrated reporting aims to optimize resource allocation through capital markets, and to effectively realize a sustainable value creation cycle while maintaining balance between economic and social values. Since the integrated reporting is based on capital markets, providers of financial capital to be centered when determining intended users. The wider intended users grow the broader their information needs grow consequently the report might become unsatisfactory to any of stakeholders. The framework has already adopted the materiality approach that takes into account expectations and concerns of all key stakeholders so that the report maintains balanced relationship among stakeholders while focusing on provider of financial capital.

Research group NEPERSC - Center for Studies and Research and Extension in Corporate Social Responsibility (Marguit Neumann - teacher, Monique Moretti Bonadio, Kelli Juliane Favato and Isabelle Caroline Bevilaqua), Universidade Estadual de Maringá-UEM

Yes. The literature on Integrated Reporting is critical in relation to the use of the term "providers of financial capital". Considering that the objective of IR is to integrate information from the organizational whole, that is, from various aspects of the organization with the aid of integrated thinking, it is relevant that this information be directed to the providers of financial capital and other capital. Taking the focus away from the "financial" facilitates this direction.

Richard Chambers, The Institute of Internal Auditors

Undecided. We suggest the entire reference to audience be deleted and the definition 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 Dale, Newcastle University

Yes. Paragraph 1.7 does not land well with non business organisations like my own and creates issues for me being able to be an advocate for within my own organisation and across the British Higher Education Sector. I recognise that corporates need to focus on their providers of capital but public and third sector organisations have vastly different drivers, and this has to be recognised in paragraph 1.17. Paragraph 1.18, by contrast, is quite weakly written and could be read as secondary in intent rather than a driving provocation to preparers of reports. Similarly, terms like Business Model and Capitals do not land well with not-for-profit organisations - we use Value Creation Model and Resources and Relationships as our appropriate terms. The Framework implicitly accepts that this approach is reasonable, but I think could be more explicit in encouraging the use of language which is appropriate to the context of the report preparer. I do want to upset the providers of financial capital who have very legitimate and important interests (and as someone who regularly invests in equity, I value strong ESG principles) but there does need to be a middle ground here. Perhaps a statement that the focus is driven by the materiality of the relevant stakeholders to the organisation?

Richard Martin, ACCA

No. Paragraph 1.7 sets out the objective of an integrated report. We agree that the primary focus should be on the providers of financial capital. It is not feasible for a report to have a focus on what all other providers of capital might want. Other stakeholders have a legitimate concern to understand the wider impact of the business on society and an integrated report should provide that because of its multi-capital basis and its longer and shorter term horizons. In our view the issues that are of significance to society are inevitably of significance to the company and those investors focused on long term financial sustainability. That sustainability depends, for example on consumer preference, employees' objectives, corporate reputation, and the need for its commitments to wider sustainable development issues that impact current and future generations.

Robbie Campo, Cbus Super Fund

Yes. Cbus strongly supports the rewording of paragraph 1.7 to reflect the reliance of broader stakeholders on an integrated report. While as a long term asset owner, Cbus actively promotes the broader adoption of by providers of financial capital and companies in which we invest, we know from experience that our annual integrated report is relevant for other stakeholders, with an interest in our long term value creation and the impact we have on all capitals. It supports systems thinking by recognising the importance of the broader societal value an organisation creates beyond just financial outcomes. For instance, we know that the transparency, clarity and accountability of our report has been an important factor in Cbus being successful in recruiting talented senior people into our organisation, which we consider to be a key strategic differentiator in long term value creation.

Ron Gruijters, Eumedion

No. Eumedion still strongly disagrees. We interpret the proposed extension as a means to broaden the 'primary audience' to all stakeholders of the company, including the natural environment. We would first like to make clear that we fully agree that the purpose of a company is to serve all of its stakeholders. However, this does not necessarily imply that individual stakeholder groups are best informed by combining all the reporting that is relevant for each of them into a single corporate report. Each stakeholder would be confronted with large quantities of irrelevant information. Besides that, nearly all companies communicate with their employees and customers through other means than the corporate annual report. While for investors and non-governmental organisations the corporate annual report is, respectively may be, a primary source of information. We do see merit in the IIRC explicitly acknowledging how the investor community has evolved over the past decade. Investors that integrate sustainability factors in their investment, engagement and voting decisions have become mainstream. The ultimate beneficiaries of investment portfolios also increasingly expect institutional investors to act as responsible investors. Many institutional investors would not be able to live up to their fiduciary duty if they were to ignore sustainability factors. The company's reporting on sustainability performance and narrative that explains the company's ability to create long-term value for all of its stakeholders are more and more considered as material for investors' decisions. Taking 'responsible & engaged investors' as a starting point, we struggle to identify topics that are of paramount importance for other key stakeholders of a company, and would not qualify as financially material for investors. A single target audience is also pragmatic for the IIRC; it is conceptually less complex in drafting standards. We also question whether this shift could have (unintended) consequences for the future agenda of the IIRC. We expect that corporate reporting from a responsible and engaged investor angle is and will remain to be sufficiently comprehensive and will contain relevant information for many other stakeholders. All the reasons why the IIRC originally chose to set the existing definition remain as valid as they were. Additionally, we do see a need for stakeholders to understand how a company judged materiality. The IR Framework would benefit from a requirement for a materiality assessment as developed by GRI as standard 101 (page 10 and 11 of the document).

Ruchi Bhowmik, EY

Yes. Including other stakeholders in the description of purpose would demonstrate the connectivity between those focused on financial and non-financial capital without limiting the importance of providers to financial capital. Stakeholder groups including employees, customers, vendors, and society at large can be impacted by an organization and should be considered in paragraph 1.7.

Sarah Dunn, Institute of Chartered Accountant in England and Wales (ICAEW)

No. While we believe that reporting to providers of financial capital is necessary for an appropriate allocation of capital in the economy, we recognise the growing demand for companies to report in a way which enables users to understand how the business creates value in the context of all its stakeholders. That said, we do not believe that now this is the right moment to extend the purpose of the integrated report beyond providers of financial capital. In our view, this is a matter that requires further consideration and research, including monitoring developments in reporting practice. We also note that the integrated report should reflect already the fact that companies are dependent on a broad range of stakeholders. Therefore, even when providers of financial capital are the primary intended user of integrated reports, the end result will still be of relevance to, and may meet the needs of, some of those other stakeholders.

Sinem Ozonur, Garanti BBVA

Yes. We are in favor. The integrated report targets various stakeholder groups, not just the providers of financial capitals. For example, an employee or a potential employee (provider of human capital) is just as interested in what is being reported as the investment community.

Solange Garcia dos Reis, Universidade de São Paulo

Yes. It would be important to consider who are the providers of capital. Natural Capital, for example, it could lead to a definition of who is responsible for the governance of some natural capitals within a country or region.

Stefano Zambon, Italian Foundation for Business Reporting (OIBR Foundation)

Undecided. A crucial issue for Integrated Reporting is the definition of its primary audience. At the moment, the pre-eminent audience is identified as the financial capital providers. It is clear there are many expectations that all the stakeholders of an organization, without distinction of any kind and order of importance, could be indicated as "target audience" of integrated reporting. However, several participants in the Roundtable observed that the Integrated Report is not a Sustainability Report nor a Non-Financial Statement, where the target audience is made up of all the stakeholders considered as a whole. Integrated Report aims to communicate and measure the creation of value over time of an organization, and undoubtedly the position in this respect of the financial capital providers is different and over-ordered compared to that of other stakeholders, due to their access to governance and their fundamental role in outlining the strategies and perspectives of companies. In the view of many participants, integrated Reporting should therefore continue to primarily serve the information interests and decisions of investors, financial market operators, and credit and public lenders, because integrated reporting can be a fundamental document to take their decisions. Of growing importance as users of financial reports are today credit institutions and public sector entities (State, regional authorities, etc.). Detailed indications: • A certain consensus for the expansion of the primary target audience from providers of financial capital to all stakeholders has emerged. • However, at a closer examination, it is not easy to identify a target audience that is consistent with a broader vision of the business function and also with the objectives and principles of the integrated report. At the end of the day, providers of capital (broadly conceived) determine the governance of the organization. • Not for all capitals there are clear and easily identifiable suppliers. For example, for organizational, relational and natural capitals is not possible to identify "providers", as stated in the revised Framework text. • Is it possible to use "direct stakeholders and society at large" to avoid inconsistencies with para 4.20? Or to use other formulas? As an outcome of the discussion, some participants think that the primary audience should remain investors or financial capital providers, otherwise the whole Framework should be re-thought, whilst others believe that all the stakeholders are at the same level in regard to the information needed for their own evaluations and decisions.

Takayuki Sumita, WICI Global

Yes. Nowadays more people have recognized effects of corporate activities on other capitals than financial ones as values generated by them. Based on this situation, it is desirable for the IIRC to extend the scope to include those who provide other capitals than financial ones. However, all providers are not necessarily focused. Rather, it needs to extend to providers of capitals which is material for creating values from the viewpoint of the company.

Tim Sheehy, The Chartered Governance Institute

Undecided. There is some merit in the caution expressed on reducing the relevance of integrated reports to investors. Whist an argument can be mounted that other forms of capital can be important, importance of financial capital from investors cannot be understated. It would be helpful to understand what other forms of capital were under consideration.

Toni Lutz, Prosus N.V.

Undecided.

Umair Khan, MCB Bank Limited

Yes.

Usha Ganga, Center for Multiple Value Creation - HAN University of Applied Sciences

Yes. The goal of an integrated report in my opinion is how a company's activities affect the capitals. This is not limited to financial capital and therefore should report on the value creation over time for society at large. The emphasis on providers of financial capital is not fitting to meet this purpose. Furthermore, providers of financial capital should take the full range of impacts into consideration for their investment decisions, while the emphasis may mean that companies feel legitimised to limit its reporting on value creation to the values that end up being translated into financial capital. Furthermore, the emphasis on providers is also not fitting. People using public resources such as water are often affected by the activities of a company, thus diminishing their natural capital or social capital (wellbeing). I would therefore put the emphasis on society at large, or on capital stakeholders or rightsholders.

Valeria Café, Brazilian Institute of Corporate Governance (IBGC)

Yes. Expanding the framework beyond financial capital providers is an important signal that can encompass different stakeholders and types of organizations. In the case of a startup, it may make more sense to emphasize the accumulated intellectual capital; for NGOs, perhaps social or relational capital. We believe the proposed change to be valid, providing for other forms of capital providers in addition to the investor (capital provider).

Vania Borgerth, CBARI - Brazilian Network on Integrated Reporting

Yes. We agree with the proposal. Although financial capital would still remain the most relevant, the change makes room for certain types of business where other types of capital are predominant.

Veronica Poole, Deloitte

Undecided. We acknowledge and support the trend towards responsible business and an understanding of value creation in the context of multiple stakeholders. The US Roundtable Statement on the Purpose of the Corporation and developments in corporate governance around the world are manifestations of how the social contract between business and society is being redefined. With broader commitments to multiple stakeholders come broader reporting obligations. Therefore, reporting to stakeholders in addition to providers of financial capital is of increasing relevance and importance. However, comprehensive reporting to providers of financial capital on broader matters that are relevant to value creation remains a priority in order to direct capital to sustainable and resilient business. The focus of integrated reporting on providers of financial capital as a primary audience has been an important driver of adoption of integrated reporting in many countries. The information provided in an integrated report can be of relevance to other stakeholders more broadly in relation to their decisions about an organisation, but as stated above we believe other forms of reporting to other stakeholder groups will emerge as a result of further formalisation of fiduciary and governance responsibilities. This position is consistent with the vision set out in Accountancy Europe's Cogito paper 'Interconnected standards for corporate reporting'. The follow-up paper to the report concludes, based on respondent feedback, that establishing global standards on core ESG topics, using a value creation materiality lens and connected to financial reporting, is an urgent priority. The paper envisages that reporting standards on wider impacts can subsequently be added to this as a further building block. We welcome the endorsement that the IIRC has given to this vision and its strategic commitment to accelerating progress to achieving it. We therefore do not believe that paragraph 1.7 should be extended currently. However, we recommend a number of steps that the IIRC could take that would help move thinking forward towards reporting to providers of other forms of capital: • continuing to promote integrated thinking as a cornerstone of responsible capitalism; • promoting integrated governance to support integrated thinking and provide appropriate accountability; • considering what effect such a move might have on the fundamental concepts of the Framework (especially 2B); • emphasising the need for connectivity in relation to reporting to other stakeholders/ providers of other forms of capital in the guiding principles; and • undertaking research to demonstrate how far an integrated report, prepared in accordance with the Framework, might already meet the needs of providers of other forms of capital.

Vinicius Benevides, Independent

Undecided.

Yew Kee Ho, Singapore Institute of Technology

Undecided. If is to be applied to entities that are not merely for-profit, this change will be useful. However, providers of capital would be a very large base. It can end up trying to satisfy a large base and ended up satisfying none. It may be better to be narrower and when it becomes a main reporting instrument, we can then enlarge it subsequently. If current investors are not already using the, would a change of direction to other capital providers further dilute their interests? I think it is a matter of time to enlarge the coverage of but the issue is whether this is the right time?

Zhanna Kazakova, Rosneft

Yes.

Question 12. Do you support the creation of a resource outside the <IR> Framework (e.g. an online database) to showcase authoritative sources of indicators and methodologies across the capitals? If yes, to which standards, frameworks or initiatives should the resource point?

Alan Willis, Independent

Yes. This would be very useful to preparers in developing appropriate disclosures for the Content Elements as they relate to the capitals, both for the Performance element and for other elements where the capitals are addressed. GRI, SASB, Natural Capital Coalition (and the successor coalition), industry sector KPI protocols where available, Future Fit Business Benchmark, UN SDGs (though this is not a reporting or performance measurement protocol as such), WICI (?), relevant ISO standards (?).

Alban Eyssette, SFAF

Yes. We suggest that this database should be integrated in the one to be set-up by the EU in the near future.

Amanda Nuttall, Think Impact Pty Ltd

Yes. But there is probably no need to create a new database – draw upon existing sources of indicators and methodologies – don't recreate the wheel. Also need to be careful about the selection of 'authoritative' indicators and methodologies so as to not enable structural inequity, bias, etc. Any methodologies and indicators need to be meaningful. Alternatively (or in conjunction with) the establishment of working groups would be useful. Understand the need for the Framework to be principles based, so the creation of a learning community may be more useful to driving IR rather than just providing prescribed indicators that may not be relevant. SDG Business Compass, Impact Management Project, GRI Standards, SASB, Social Value International, TCFD.

Anant Nadkarni, Advisor Value Creation

Undecided.

Anne Adrain, ICAS

We believe that this would be a useful and valuable resource and would encourage the mapping of this resource or database to other non-financial reporting frameworks. GRI, for example, is the most widely used sustainability reporting framework, while TCFD is becoming widely acknowledged as the default framework for climate-related disclosures, and SASB is becoming more prevalent as a result of its adoption by investors, Black Rock in particular. The three fundamental concepts in the SDGD Recommendations (Adams et al, 2020), might be a further useful resource.

April Mackenzie, External Reporting Board (XRB staff views)

Yes. We believe this resource would be a useful addition. The sheer volume of the number of standards, frameworks or initiatives available make for a very difficult landscape to navigate. Anything that can be done to assist preparers in this space will be welcome. A good starting point would be clarification of the interaction between the Framework and the more detailed topic/industry specific frameworks and standards. We do acknowledge current initiatives in this space such as The Reporting Exchange and the Corporate Reporting Dialogue. In the first instance, we suggest the IIRC focus on the standards and frameworks developed by members of the Corporate Reporting Dialogue. We suggest some thought be given to the practical measurement of the achievement of the outcomes from the perspective of the preparer. Whilst national metrics may be available, company specific metrics may be more difficult to ascertain. There is also the problem of externalities. Road accidents can be the result of a badly designed car, but also could be due to a poorly designed road, and an inattentive driver or one under the influence of various substances. The later causes are problems better addressed by the national transport bodies, not a private company. Auditability should also be considered in this context.

Aranzazu Piñeiro López, REPSOL

Yes. We support an online database with authoritative sources of indicators and methodologies aligned with TCFD requirements.

Artie Ng, Independent

Yes. Such linkages would uphold the integrated thinking principle of IR and make the overall framework relevant to the existing standards. It would also avoid the potential hurdle of "reinventing the wheel".

Aruni Rajakarier, SheConsults (Pvt) Ltd.

Undecided. It could showcase best practice and support evolution of benchmarks. However, the vast diversity of material issues and its constant evolution could present significant challenges or result in disconnect between reality and theoretical frameworks. The worst would be a dogmatic implementation of such a framework.

Bandile Manyana, Independent

Yes. This may enhance the comparability and reliability of the information. By incorporating standards or guidance from the respective bodies, the IIRC can provide preparers with a single-destination platform from which they can draw information from these different sources, especially since the two major bodies plan on aligning their sustainability reporting standards in the future (DFGE, 2020). SASB, GRI.

Barry Cooper, Deakin Integrated Reporting Centre

Yes, but not in such a way as to define the metrics as being an integrated reporting standard. They should be an anointed reference point unless subsequently defined as standards by an organisation such as the Corporate Reporting Foundation contemplated in the Accountancy Europe paper. Companion guidance to the Framework will be required to clearly state that such indicators must be adapted as appropriate to an individual organisation's business, and be clearly defined in the Basis of Preparation required by paragraph 4.40 as discussed under Question 2.

Begoña Giner Inchausti, European Accounting Association's Stakeholder Reporting Committee

Undecided. Practitioners usually refer to standardized sector-specific indicators as a fundamental aspect for making their non-financial disclosure more comparable and facilitating investors' decision making. We believe that discussions about the selection of proper indicators should be run by engaging with practitioners at the sector level. A possible way to create this platform could be to extend the Example Database to an Example of indicators. Some possible sources of KPIs might be WICI, WBCSD ("Reporting Exchange"), GRI, SASB.

Brad Monterio, Institute of Management Accountants (IMA)

Undecided. Our constituents are confused. Although the Corporate Reporting Dialogue made good steps toward commonality among frameworks and standards, more work is necessary. Therefore, it is unclear whether an additional database of sample reports will prove helpful as a practical matter. Following from IFAC's similar response, we note that any initiative to move ahead would benefit from initial, careful consideration of how such a database would be used to facilitate convergence and comparability. We also note that new technology-based reporting platforms allow preparers access to reporting standards as they work. The guidelines are built directly onto reporting platforms. Therefore, building a conventional repository may be unnecessary or untimely.

Brett Simnett, Radley Yeldar (RY)

Yes. UK strategic report and corporate governance code guidance, TCFD, WEF Toward Common Metrics and Consistent Reporting of Sustainable Value Creation.

Bronwyn Forsyth, Strategic Advisory and Communications

Yes. SDGs, GRI, SASB, TCFD.

Carol Adams, UNDP SDG Impact Team

Yes. In addition, the guidance should include methodologies that guide organisations to respond to sustainable development issues. This is important because these are often not incorporated into mainstream processes. Such guidance includes: UNDP SDG Impact Standards, TCFD recommendations Sustainable Development Goal Disclosure (SDGD) Recommendations (Adams et al, 2020 published by the IIRC and others), The Sustainable Development Goals, integrated thinking and the integrated report (Adams, 2017 published by IIRC and ICAS), Global Reporting Initiative Standards.

Carol McAleenan, AngloGold Ashanti Limited

Undecided. The creation of a database results in efficiency in report preparation. There is a concern that the database may not contain all suitable resources and there would be negative connotations for those resources that are excluded. Also, there is concern about another set of standards to be addressed and whether these would be mandatory. The resource should point to standards or frameworks already in use and not a new set of standards.

Charlotte Hugman, World Benchmarking Alliance

Yes. Thank you for the opportunity to respond. IIRC is a long-standing Ally of WBA and we are very supportive of the organisation's efforts. Whilst we don't have comments on other aspects of this consultation, we would in particular welcome the creation of a resource by IIRC to point users to other methodologies and frameworks. This can help us all align better, provide clarity to the market and build on each others' work. Alongside the work of many other Allies, WBA's benchmarks consciously build on the work of others through multi-stakeholder dialogues. Our methodologies and indicators are publicly available and free in order to provide a resource for others to build on.

Christoph Deiminger, Arbeitskreis Integrated Reporting und Sustainable Management der Schmalenbach-Gesellschaft für Betriebswirtschaft e.V. (Working Group on Integrated Reporting and Sustainable Management of the Schmalenbach-Gesellschaft für Betriebswirtschaft)

No. We do not consider the creation of such a resource to be target-oriented and thus sensible for the IIRC from a strategic point of view. The core of IR and an integrated report is the communication of value creation from a company-specific perspective ("telling the particular value creation story"). The underlying conceptual approach is the so-called management approach. Such a resource could undermine the comprehensive role of this approach. Although uniform, internationally developed and recognized as well as easily software-based usable metrics are welcome, the focus in corporate reporting should primarily be on the consistent application of these metrics by each company. Meanwhile, numerous initiatives outside the IIRC can currently be identified which will ensure that certain metrics are established and enforced on the market in the foreseeable future (e.g. the EU´s sustainable finance strategy). To our opinion the choice of the set of metrics or standards applied should be left to the corporate management of each individual company. This maintains the flexibility for the management to choose the sets that best comply with the business model and value creation situation of the particular company. It also creates competition on the “market” of (in particular) non-financial reporting standard setters and allows the users of the different reports to make their judgements regarding the usefulness of the information provided. This could lead to a convergence of the applied sets of standards and finally, most likely, to better standards. Consequently, we believe that the IIRC should maintain the neutral role it has played until now regarding metrics related to particular capitals. It should not provide a collection of metrics or step in the role to promote particular standards. Instead, we would like to encourage the IIRC to take a closer look at the relationship between integrated thinking, the capitals referred to in the framework and the Sustainable Development Goals (SDGs). As the SDGs are the most important macroeconomic, societal and regulatory objectives that are more and more taken into account by corporations, it would be very appropriate to investigate this relation deeper and to mention it in the framework.

Christopher Joy, Hong Kong Institute of CPAs

Yes. We agree with the need for there to be clear linkage and alignment with other standards, frameworks and initiatives. GRI, SASB, TCFD etc.

Cora Olsen, Novo Nordisk

Yes. Future-Fit Business Benchmark (FFBB) for clear disclosures on value destruction/negative impacts. FFBB applies to all sectors and ensures disclosure of negative impacts from a systems view. It provides clear guidance on what sustainable business performance looks like (not just less bad) through the use of 23 disclosures only. Please do not recommend GRI (less bad performance), as the disclosures are fragmented and provides no guidance on what sustainable performance looks like.

Cornis Van der lugt, University of Stellenbosch Business School

Yes. The IIRC-GRI partnership is a key initiative to build on and strengthen here. Partners of the CRP / Dialogue. The lead players are IASB-IIRC-GRI.

David Hackett, CIMA

Yes. CIMA welcomes the creation of a database where other NFI standards/frameworks could be mapped to the elements of the IR Framework as there is considerable concern within the market around the proliferation of standards. GRI, SASB, TCFD.

Departamento Contaduría Pública Departamento Contaduría Pública, Universidad Central

Yes. We agree that referents should be provided for the construction of indicators and methodologies for all forms of capital. However, we do not consider such referents to be the only "authorised" ones. It would be much better if they were "suggested". Additionally, we believe that great care should be taken to articulate with other initiatives in order to prevent organisations from producing sustainability reports under GRI standards with minimal reference to the international framework of integrated reporting.

Edeltraud Guenther, United Nations University

Yes.

Elizabeth Middleton, Independent

Yes. I think the framework should be linked with international reporting standards. IFRS Home country legislation, Stock exchange requirements, Other requirements like the EU Directive. Try and consolidate everything and then progress can be made to one report.

Fabio Silva, Eletronorte

Yes.

Fay Hoosain, IRC of SA

Yes. A resource and the creation of a separate database would be useful for organisations; however, we agree that specific standards and frameworks should not be referenced in the Framework. Where a database includes certain standards and frameworks, these should be clearly provided for reference purposes only. The governing body of each organisation is best placed to determine which frameworks and standards are suitable for it – there is no consistent set of frameworks and standards which apply to each and every organisation across sector and geography.

Francesca Flamini, Enel SpA

No. It would be useful to provide also other kind of tools, other than an online database of different, and sometimes, not comparable methodological sources.

Gail Boucher, Principles for Responsible Investment

No. There are currently a number of resources in this area, such as the Reporting Exchange by WBCSD for corporate reporting and The Impact Imperative in Financing Sustainable Development by OECD for impact measurement approaches. The PRI supports regional and international progress on standardization, however a further resource showcasing resources and methodologies will not be helpful at this stage. We share the common goal of a universal, standardised ESG corporate reporting system and believe that efforts should be market-led to connect and enhance the supply, utility and use of sustainability related information.

Gianmario Crescentino, ASSIREVI - Association of the Italian Audit Firms

Yes. We do support the creation of an online database of this kind. We believe that IR should suggest some sources of indicators in order to guide those companies that, despite their decision to report according with the IR framework, face difficulties to implement it due to a lack of specific accurate guidance. Companies currently combine the use of the IR framework with the adoption of other international standards, such as those developed by the Global Reporting Initiative (GRI Standards), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosure (TCFD), and the suggestions coming from "Toward Common Metrics and Consistent Reporting of Sustainable Value Creation". Furthermore, companies take into consideration the new EU taxonomy on sustainable finance (Regulation 2020/852). Another step to consider in the implementation of such online database could be to have a breakdown of the indicators by sector, and then by capital.

Graham Terry, Independent

Yes. I think it would be very helpful if the IIRC developed a database of indicators and methodologies, which could be made available through its website. As regards indicators, it would be useful if they were categorised under headings such as financial indicators and sustainability indicators. It would also be helpful to have industry classifications. This would encourage comparability. It should be clear that the indicators and methodologies are provided for reference purposes.

Graham Terry, The South African Institute of Chartered Accountants - Cape Town Discussion Group

Such a database would be helpful to organisations in identifying credible frameworks. In addition, a database of indicators would useful to organisations in their search for effective indicators especially if they were classified by industry.

Habeebu Rahman Kadavan, Pondicherry University

Yes.

Hendrik Rosenthal, CLP Holdings Limited

Yes. The IIRC should work with the reporting standards which provide authoritative sources of indicators and methodologies across the capitals to adopt (1) a common taxonomy or glossary, and (2) common principles, where applicable, and it should publish linkage documents noting how their glossary and principles relate to its own. Including TCFD recommendations, GRI and SASB.

Henry Daubeney, PwC

Yes. However, this should not be an IIRC initiative alone. There are a number of initiatives looking at common metrics that are market driven and key to investor and other stakeholder decision making (e.g., WEFIBC metrics/disclosures). It will be critical to work with existing projects so as not to overlap and confuse the reporting landscape further. There will be a need to consider overall governance for ongoing maintenance of any database. We agree there is a need for clarity in authoritative sources of measurement and reporting methodologies given the plethora of voluntary standards and frameworks. We have provided responses to the EU's consultation on the Non-Financial Reporting Directive which outlines our thoughts on the relevant framework for non-financial reporting. There is also need for further work in certain capitals where indicators and methodologies are not as established e.g., intellectual capital and IIRC could be a useful driver.

Huey Jiuan Yan, HELP University

Yes. Overtime the indicators and methodologies across the capitals may converge or harmonise with IR. ISO, Sustainability accounting standards, GRI sustainability reporting.

Ian Kramer, CFO Forum

Yes. The creation of a database results in efficiency in report preparation. There is a concern that the database may not contain all suitable resources and there would be negative connotations for those resources that are excluded. Also, there is concern about another set of standards to be addressed and whether these would be mandatory. It is important to note that in cases like the SDGs, the indicators have been set at sovereign level but then adapted for relevance by organisations. Standards that are currently widely used and accepted - not another new set of standards.

Inés García Fronti, Buenos Aires University

Yes. Organizations' information systems collapse from scattered initiatives linked to sustainable development. Clearer links to the indicators and methodologies of other standards, frameworks and initiatives would reduce costs in organizations, less confusion and greater depth when applying the various initiatives. A greater degree of consistency between the information provided would also be achieved. IAS, IASB, SDG United Nations Principles, United Nations, GRI ISO, B Companies Certification, Matrix of the common good.

Innocent Okwuosa, Nigerian Integrated Reporting Committee

Undecided. Creation of online database outside IR framework to showcase authoritative sources of indicators and methodologies across capitals is good as it also encourages the ability to cross-reference across companies and sectors and countries. Also, it will provide guidance to preparers and users of integrated report. However, this question is in contradiction to IIRC intention of not dictating qualitative and quantitative KPIs. Creation of authoritative sources of indicators across capitals may be interpreted by preparers and users as endorsing particular KPIs as capitals. More confusing will be the interaction of the indicators across capitals identified through the creation of this database and the objective of IIRC IR. This is because none of such indicators that draw from other frameworks to which references are made will capture the objective and spirit of integrated reporting. For example, in the first consultation that gave rise to the current IIRC framework being reviewed, a similar question attracted responses such as GRI Framework, US SASB, CDSB, etc. This will result in references being made to the many indicators inherent in the current many and diverse sustainability reporting frameworks many of which are in conflict and competition with each other. We opine that the multiplicity and diversity of such indicators will make the proposed online resources a confused one for preparers and users, a distraction that detracts from a focus on what IR is all about. What preparers and users will prefer is guidance on those unique things which IR brings to corporate reporting landscape which it should own. By pointing to sources of indicators in other frameworks, IIRC is abdicating from a responsibility of showing preparers and users what is the unique thing it is bringing to corporate reporting landscape. The IIRC framework should be about these indicators and not sources of indicators. It is through the indicators that the conceptual underpinning of IIRC capitals and content elements are operationalised. Users and preparers want guidance on indicators that constitute an integration between financial and sustainability reporting. The IIRC framework should be the source to which other frameworks can reference when it comes to integrating financial and sustainability reporting. If it cannot achieve this, then there is no "Integration framework" and this might limit the achievement of the set objectives of IIRC.

Irina Paschke, Kirchhoff Consult AG, Hamburg

Yes. In general, yes. However, the mapping documents on the already existing Website of the Corporate Reporting Dialogue, for instance, appear to be rather complex and theoretical. Practical guidance, reporters can easily work with and adopt would be appreciated.

Ivan Topolya, Independent

Yes. The International Integrated Reporting Council and the Corporate Reporting Dialogue unite many globally recognized standard-setting and professional bodies. A resource outside the Framework could mention standards, frameworks, or initiatives led, maintained, and supported by these authoritative bodies.

J Robert Gibson, Hong Kong University of Science and Technology

Yes. The IIRC should explicitly link with reporting standards which provide authoritative sources of indicators and methodologies across the capitals. It should work for these standards to adopt (1) a common taxonomy or glossary; (2) common principles. It should publish LINKAGE documents noting how their glossary and principles relate to its own. TCFD, GRI; SASB, China's and CASS-CSR4.0.

Jake Atkinson, Climate Disclosure Standards Board

Undecided. It is understandable to wish for this resource to be placed outside of the Framework so to be more dynamic and responsive. However, there should be hesitance in another online database, would it not be best to work with an extensive database, i.e., the Reporting Exchange, to create a curated set of resources.

Jayantha Nagendran, Smart Media (Pvt) Limited

Yes. Since this is a principles-based framework, easy access to such a resource base will help the report preparers to operationalise the framework. Unable to comment as there are too many of them out there; we see duplication, inconsistencies and a general absence of standardisation. Perhaps the IIRC's Corporate Reporting Dialogue could play a useful role here.

Jo Cain, Materiality Counts

Yes. This needs to be kept succinct and high in clarity – just how we like our IRs! If links to other resources are made available, suggest keeping it separate although clearly accessible. The list is long but the Corporate Reporting Dialogue, Corporate Responsibility Reporting Awards and other resources provide details.

Johannes Dumay, Macquarie University

Yes. It can't hurt. GRI, SDGs, TCFD, EU Directive.

John Gill, CPA (Australia) retired

Yes.

John Purcell, CPA Australia

Yes. The only cautionary remark we make is to avoid this being seen as a higher priority than creating and maintaining a robust framework which is arguably the key component in the evolution of corporate reporting.

Jona Basha, Accountancy Europe

Yes. Accountancy Europe welcomes the creation such a database where other NFI standards/frameworks could be mapped to the elements of the Framework. CDP, CDSB, GRI and SASB gave an important statement about their collaboration towards a globally harmonised system in our Follow-up paper: Interconnected Standard Setting for Corporate Reporting, also supported by the IIRC In addition, there is ongoing momentum in Europe following the Non-financial Reporting Directive review and the initiation at the EFRAG of the work to set EU non-financial reporting standards. Therefore, we suggest the IIRC to collaborate with these standard setters and the EU to work towards a global corporate reporting system.

Jose Luis Lizcano Alvarez, Spanish Association of Accounting and Business Administration (AECA)

Yes. Without a doubt, the creation of these resources can contribute to research and future improvement in reporting. In the Guidelines on non-financial reports issued by the Commission of the European Union (2017/C215/01), there is an excellent compendium of national, EU-based and international frameworks. We must highlight as very relevant the Task Force on Climate-Related Financial Disclosures (TFCD). In Spain, we have the CII-FESG model of AECA (Spanish Association of Accounting and Business Administration), whose proposed database includes models of Integrated information reporting, such as AECA's own, contrasted in practice, applied at the national level but they can be used internationally. It can be seen here. This is undoubtedly a good example of the technological base that generates an Integrated report.

Joshua Rayan, Joshua Rayan Communications

Yes. GRI, SASB, Bursa Malaysia Main Market Listing Requirements, Malaysia Code of Corporate Governance 2017.

Juliet Taylor, WBCSD

Yes. The Reporting Exchange is intended to provide an authoritative source of provisions, frameworks, methodologies, indicators and management practices relevant to reporting on ESG information and would be helpful in addition to the framework.

Karen Koch, Eskom Holdings SOC Ltd

Yes. This seems to be a requirement from many users of reports, who want comparability of reports. I would caution against advising which frameworks to use, as that would remove the flexibility of the integrated report and be contrary to the principles-based nature of the Framework. I would imagine that resources around natural capital and an organisation's impact on the environment may be worthy of prioritisation.

Kelli Favato, Independent

Yes.

Kevin Dancey, International Federation of Accountants (IFAC)

Undecided. We support efforts to draw upon existing frameworks, standards and high-quality metrics and disclosures already developed. If such a database was to be developed, we believe it is important to: - Differentiate it from existing examples, such as the comprehensive WBCSD Reporting Exchange for ESG reporting. Structuring the database around the six capitals may help achieve this. - Decide carefully what is included in the planned database (and equally importantly what is not). Including too many links to other initiatives may not help companies decide which metrics to use. To achieve relevant, reliable and comparable corporate reporting, coalescence around a set of high-quality standards, or best practices, that specify what metrics and disclosures are reported is required - Consider how such a database could be used as a means of facilitating convergence and comparability of reporting, by including those significant initiatives that are the building blocks to converging and aligning metrics and disclosures related to non-financial reporting - Consider whether it should be developed in collaboration with the metrics/standards creators included (so as to ensure acceptance of the database).

Leda Romero, Kellun

Yes.

Lisa Martin, Sustainz Business Solutions Limited

Yes. Need to rationalise, and take care not to promote specific commercial offerings (e.g., ESG frameworks) but initial thoughts.... UN Sustainable Development Goals (SDGs), United Nations Global Compact, UN Guiding Principles Reporting Framework (UNGP

Reporting Framework) Climate, CDP, TCFD, The Climate Disclosure Standards Board, Sustainability Reporting, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) Accounting Standards, A4S CFO Leadership Network, PRI Principles for Responsible Investment Materiality, AA1000 Stakeholder Engagement Standard, ISO26000 Guidance on Social Responsibility ESG Organisations, Ratings and Indexes.

Loshni Naidoo, SAICA

Yes. A good idea as from a practical perspective it saves a reporter time as now he/ she does not need to search for information. Consideration for this resource must aid alignment with other frameworks/ guidance/ standards as each has different definitions, criteria and examples and should not add to any confusion. A potential consequence of creating this resource is that this database may be perceived as complete with 'all the useful' resources that are available. Other resources not included may be perceived as irrelevant or 'not good'. Care should be taken in how the resources are selected.

Lydia Tsen, Chartered Accountants Australia and New Zealand

Yes. We support the creation of a resource outside of the Framework. In creating this resource, the IIRC should consider the interaction of the Framework with existing jurisdictional specific regulatory reporting frameworks (such as the United Kingdom's strategic review and Australia's Operating and Financial review) 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. In addition to this, we recommend the IIRC consider developing and including specific examples and case studies (such as the new examples illustrating the difference between outputs and outcomes) to support preparers.

Manuela Macchi, Independent Sustainability Director and Associate partner YourCEO

Yes. GRI. Listing of GRI indicators in terms of output vs outcome indicators, and linking them with each of the six capitals.

Maria Angelica Costa, Modena & Ana Consultores Associados

No. Each company must identify the best indicators, standards, that will attend to the control of their impacts and effects on capital, and trying to use whenever possible, the same ones used in their sector, for comparability.

Marina Michaelides, AUASB

Yes.

Mark Babington, Financial Reporting Council

No. We believe that standardisation of non-financial information is necessary including metrics. Companies are overwhelmed with the number of sources of guidance in these areas and there are currently a number of initiatives underway aimed at aligning reporting in this area. Therefore, we do not support the IIRC creating a database.

Mark Hucklesby, Grant Thornton International Limited

Yes. We think the sources set out in the Consultation Draft prepared for the World Economic Forum (WEF) titled "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" provides an excellent starting point. That document highlights there is no one standard, framework or initiative that does it all, hence a blended selection of the authoritative sources will, in our view, be the best way to proceed for the time being. It may well be that collaboration between GRI and SASB might rapidly change the current landscape. If that is the case, then we encourage to IIRC to be flexible and respond to emerging developments on an agile basis. Our view is that all the standards, froneworks and initiatives noted in the "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" should be acknowledged and pointed to.

Martin Fryer, Mercury NZ Limited

No. For those preparing reports there are sufficient resources available and additional duplication has to be questioned.

Milan van Wyk, University of Johannesburg

Yes. A database would be most useful for preparers. Such a database would need to be carefully curated to ensure that only appropriate indicators and methodologies are included.

Monique Pattillo, Calvert Research and Management

Yes. A central database that houses indicators and methodologies would be helpful to address inconsistencies across reporting efforts. SASB, TCFD, etc.

Mosireletsi M Mogotlhwane, Botswana Institute of Chartered Accountants

Yes. Framework should employ terminologies and definitions used in other reporting standards and frameworks. As IR is adopted globally, there is need to see convergence in the standards. There are common terminologies that are already defined in existing standards and frameworks. Any attempt to redefine them in Framework creates unnecessary redundancy. In addition, there needs to be common understanding by users as to the terms used in an integrated report and this can only be achieved by showcasing authoritative sources of indicators and methodologies across the capitals.

Muhammad Imran, CSRCP

Yes. GRI Standards or SASB Standards.

Nadia Schoeman, Kumba Iron Ore Ltd

No. Once the reporting landscape is more mature we might need to revisit this but for the moment companies should rather only focus on the Framework, if you add other indicators and methodologies this will make the report very cumbersome and might detract from the focus - if you want adhere to alternative methodologies rather split that out into a separate report.

Naveed Abdul Hameed, FCA, The Institute of Chartered Accountants of Pakistan

Yes.

Nick Ridehalgh, Australian Business Reporting Leaders Forum

Yes. Will be very useful for guidance purposes only. It would also be useful to be able to sort indicators by industry sector, relevant capital, and popularity (i.e., most commonly used). It will also be important to include the common basis of calculation for popular indicators to support comparability.

Nimet Vural, Independent

Yes. I fully actually support any way that we can really ensure a cross-learning. The consideration that I would ask IR to make is that there actually are systems in place online. The reporting exchange established by the WBCSD, the knowledge hub established by CDSB, there's even a knowledge hub established by the Japanese government. Then there are also exchanges, knowledge hubs established by stock exchanges on reporting. place. voted no.

Nowmitta Jahanzaib, ICMAP

Yes. To a certain it should take the support of some other standard for measurement, but it is quiet effective in itself and it will take a long time to materialise this and presently its own framework is useful and further sees an evolving trend over a period of time. Any standard set internationally to measure its resource performance like human resources.

Nur Syaida Wan Muhammad Maznin, Malaysian Institute of Certified Public Accountants

Yes. Based on our observations in the Malaysian market, there is a level of hesitation to embark on the integrated reporting journey, as there is a perception that it would incur significant amount of consultation fees. MICPA believes that creation of a resource outside the Framework would provide significant support to users and encourage great participation in the integrated reporting journey. The extant example database is not helpful enough. Further guidance on the application of the Framework would be helpful.

Nurmazilah Dato' Mahzan, Malaysian Institute of Accountants

Yes. An online database that is properly maintained would guide organisations to improve their quality of reporting over time. Suggested guidance includes the SASB, GRI Standards, UN SDGs, TCFD, GHG Protocol and COSO. Additionally, reference to ISO Standards would provide guidance for organisations that wish to systematize and improve their management system on selected areas such as environment, safety and health. It is also valuable for the database to showcase the benchmarks of good reporting and methodologies used across the capitals. Suggested guidance includes the SASB, GRI Standards, UN SDGs, TCFD, GHG Protocol and COSO. Additionally, reference to ISO Standards would provide guidance for organisations that wish to systematize and improve their management system on selected areas such as environment, safety and health.

Omair Jamal, Independent

No. Corporate reporting is well regulated area, therefore, framework should not be addressing this matter. If yes, to which standards, frameworks or initiatives should the resource point?

Patrick Kabuya, Africa Integrated Reporting Council

Yes. We support the creation of an online database outside IR framework to showcase authoritative sources of indicators and methodologies across capitals. The key challenge is to ensure that this approach does not create more confusion especially to organizations in the initial stages of implementing the reform. As we know, there are many existing frameworks on these indicators. So, the ideal is to provide clear principles where organizations can refer to identify applicable indicators or methodologies. The standards and frameworks to refer to include: GRI Framework, US SASB, CDSB, etc. We hope that there will be a convergence of these non-financial reporting frameworks in the near future.

Paul Hurks, NBA

Yes. This may help becoming the overarching conceptual framework for corporate reporting. We would recommend to start with the IIRC partners in the Corporate Reporting Dialogue.

Penny Gerber, Pick n Pay Stores Limited

Undecided. A resource database may be beneficial for preparers. However, there should be concern around reporting requirements becoming too onerous, and requiring ever more time and resource to adequately comply. A database of many standards, methodologies and principles may become too complex and overwhelming.

Priyanka Mathur, Confederation of Indian Industry

Yes. SASB, GRI, CDP, TCFD.

Reina Mizuno, Japanese Institute of Certified Public Accountants

Undecided. There has been an ongoing debate over measurement standard setting for non-financial information and the overall corporate disclosure system at a global level. Under such circumstances, showcasing sources of developing measurement methods or indicators might not fit for preparer's immediate needs. We believe it is of value for preparers and users that the IIRC proceed discussion and identify and summarize key points of followings issues; - selection of KPIs and measurement methodologies in integrated reports - required due process for measurement standard setting - accounting and disclosure policy for organizations' specific KPIs. On the other hand, selection of reasonable standards for each individual subject matter from a number of authoritative or generally accepted standards might be a complicated issue for a preparer. As such providing database which enable users to search standards and frameworks compatible or complimentary with the integrated reporting framework to be a useful information source for a preparer. (Standards, frameworks, or initiatives the resource should point). We acknowledge the growing interest in SASB and TCFD as reporting frameworks and standards for non-financial information.

Research group NEPERSC - Center for Studies and Research and Extension in Corporate Social Responsibility (Marguit Neumann - teacher, Monique Moretti Bonadio, Kelli Juliane Favato and Isabelle Caroline Bevilaqua), Universidade Estadual de Maringá-UEM

Yes. Support, for the purpose of exemplification and direction, that is, that they do not become compulsory and, since the indicators and methodologies, really, portray the creation of value through capital. As the creation of value is carried out in a particular way by each company, as it is guided by its mission, vision, values, objective, activities, etc., it does not make sense for standards of indicators and methodologies to be developed, even for companies of the same sector. In addition, as indicators are used for internal control purposes to evaluate strategies, programs, employees, results, etc., the cost and relevance of the information that will be obtained through a capital-based measurement must be evaluated, as stated in question 8. Because, as the creation of value does not occur only in a linear way among capitals, often presenting complex, indirect and non-linear causal relationships, they require adaptations in the companies' performance measurement systems. Therefore, the clarity of these contents for stakeholders and the benefits of their external dissemination must also be taken into account. It should be added that the results of the Dissertation showed that only with the title of the KPIs and their measurements (in the majority percentage), identifying whether the measurement considers the increases, decreases, transformations and changes, between the capitals becomes simplistic. Thus, the characteristics recommended by Framework 1.0 for KPIs (paragraph 4.53) should assist and be encouraged in this task, mainly, consistency with sectorial or regional benchmarks and qualitative information, which enable the identification of how the measurements were made and therefore, which capitals were measured.

Richard Chambers, The Institute of Internal Auditors

Yes. But its creation would have to be carefully considered, as this resource would require a dedicated manager and constant upkeep. To be valuable, it should point to all standards, frameworks and initiatives available.

Richard Dale, Newcastle University

Yes. This does run the risk of linking to directly contradictory material, particularly as some of the material will inevitably be focused on one capital to the exclusion of others. If these are to be included then they need to be to inform report preparers rather than create overriding guidance.

Richard Martin, ACCA

Yes. In our view globally accepted non-financial reporting (NFR) standards are needed in addition to the Framework. We support and encourage the signs of closer co-operation between the various existing standard-setters to help create a common set of standards. Quantification is likely to be a significant issue with some of the capitals. If not included in the NFR standards then a publicly-available database of measurements may be helpful in providing good quality and more comparable information. The globally accepted NFR standards can be developed using existing standards or protocols – primarily from the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), the Task Force for Climate-related Financial Disclosures (TCFD) and to come the Task Force for Nature related Financial Disclosures, but also others.

Robbie Campo, Cbus Super Fund

Yes. Cbus supports the creation of a resource to showcase and align the authoritative sources of indicators and methodologies across the capitals. Cbus already seeks to use our annual integrated report as a mechanism to 'bring together' other reporting frameworks (for instance, GRI, TCFD, SASB, SDGs) and sees this as one of the distinguishing benefits of integrated reporting.

Ron Gruijters, Eumedion

No. We are not convinced that setting up such resources 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 position paper 'Towards a global, investor focused standard setter for corporate non-financial reporting' dated 6 July 2020 on this topic. The document can be found here. The IIRC has no track record in measurement, we therefore question whether the IIRC has sufficient authority in judging whether GRI, SASB or another measurement framework should prevail in specific circumstances.

Ruchi Bhowmik, EY

Undecided. The IR states that it wishes to remain neutral on specific key performance indicators (KPIs), methodologies and metrics that companies should use in the corporate reporting process. It may be hard to provide a database of 'authoritative sources' while still remaining neutral in this process. The criteria for 'authoritative' would need to be explicitly stated in the database to understand how IR is selecting which resources to highlight. Also, some consideration should be given to how this would be different than the WBCSD's Reporting Exchange or other similar databases already providing this information if IR would not be endorsing any specific resource.

Sarah Dunn, Institute of Chartered Accountant in England and Wales (ICAEW)

No.

Sinem Ozonur, Garanti BBVA

Yes. We do support but we do not believe that the resource would be “outside the IR Framework”. It definitely serves the framework. Having access to such a source, independent of location or regulatory obligations, would empower the reporting entities and their search for best practice and better reporting. We believe that it should have a global coverage, as extensive as possible.

Solange Garcia dos Reis, Universidade de São Paulo

Yes. It could be a good source of search. GRI.

Stefano Zambon, Italian Foundation for Business Reporting (OIBR Foundation)

Yes. A suggestion is to extend the Example Database to an Example of indicators. This resource would be particularly important for intangibles-related indicators. The question of comparability of information and KPIs still remains to be addressed, even though we should avoid approaches according to which "one fits all". Primary references could be industry WICI-KPIs, WBCSD's "Reporting Exchange", GRI and SASB KPIs.

Takayuki Sumita, WICI Global

Yes. It is needless to standardize what to describe, but standardizing the definition or method of calculation of certain words, indices and metrics should be made. The proposition of this standardization is the situation where companies choose the material elements for their own value creation mechanism without being obliged to describe one size fits all type indices. WICI, SASB.

Tim Sheehy, The Chartered Governance Institute

Yes. Whilst the Framework is often described as an umbrella reporting framework, the fact remains that many see it as sitting alongside other reporting frameworks. In addition, other frameworks/standards/initiatives can be more industry specific or go into much greater depth by their very nature. It would be helpful to preparers for there to be links to other indicators and methodologies.

Toni Lutz, Prosus N.V.

Yes. An online database with adequate guidance should be provided across various sectors, beyond traditional sectors such as manufacturing. Refer to question 6. Guidance for consumer internet businesses and other online businesses would be welcome. The database should provide guidance on how the IIRC framework and concepts interact with other frameworks such as the Task Force on Climate-related Financial Disclosures, the Global Reporting Initiative and the Sustainability Accounting Standards Board and the United Nation’s Sustainable Development Goals. The database should avoid creating further set of standards/framework in addition to the current non-financial reporting frameworks. Also take into account that ESG analysts have also created various ESG frameworks and methodologies which listed companies participate in, making the non-financial reporting environment complex to navigate. The database could be useful in navigating complexity in the non-financial reporting environment by demonstrating interaction with other frameworks and providing examples and guidance for various sectors.

Umair Khan, MCB Bank Limited

Yes.

Usha Ganga, Center for Multiple Value Creation - HAN University of Applied Sciences

No. As the Framework has decided not to choose which supporting standards or frameworks are necessary, I believe you should not showcase other standards or frameworks. It is the principles-based approach that will lead to a just selection of appropriate standards or frameworks.

Valeria Café, Brazilian Institute of Corporate Governance (IBGC)

Yes. Highlighting other methodologies, indicators, and processes that add to the elaboration of the IR enriches the narratives and provides greater robustness to the reported information. This action reinforces the idea that the IR is a coalition among several actors: academia, market, regulators, civil society organizations, etc. Identifying some valid standards that could be used is an interesting action for conducting benchmarking research, for example. Subsequently, it will be up to the organization to use them according to its specificities. However, the criteria for inclusion, maintenance and removal of methodologies, indicators, and processes should be clearly specified. There are many frameworks but only few deserve the support of IR. For now, we suggest GRI and SASB.

Vania Borgerth, CBARI - Brazilian Network on Integrated Reporting

Yes. Everyone agrees. External standards and structures bring solidity and methodological robustness. To those that are already members of the Corporate Reporting Dialogue + others that are considered relevant in their fields.

Veronica Poole, Deloitte

No. We share the market's concern for consistency and comparability of metrics used in reporting. Deloitte believes that the profusion of initiatives is arguably standing in the way of progress to global harmonisation and therefore we do not support this proposal. We recommend that the IIRC should play a leading role to achieve a system solution, leading to consistent global metrics issued through a standard setter for non-financial reporting. We recognise however that there is a gap in metrics that cover some of the IIRC's capitals – for example, metrics on customer satisfaction, retention, and aspects of intellectual property. The IIRC could play an important role in highlighting emerging practices and innovation by companies in relation to metrics in their integrated reports (e.g., through the existing Examples Database); and in identifying gaps in the coverage of standards for metrics, working through the Corporate Reporting Dialogue to accelerate research needed for standardised solutions in these areas.

Vinicius Benevides, Independent

No.

Yew Kee Ho, Singapore Institute of Technology

Yes.

Zhanna Kazakova, Rosneft

No. Principle-based approach should prevail.

Question 13. Should the IIRC address the concept of integrated thinking more deeply? If yes, what additional guidance is needed?

Alan Willis, Independent

Yes. The IIRC should not lead but encourage and collaborate with other organizations and initiatives (e.g., WBCSD, WEF, IFAC) in advancing and promoting integrated thinking as fundamental to successful and responsible business management and corporate governance in a multi-stakeholder, multi-capital 21st. century view of meeting societal needs. Integrated reporting guided by the IIRC's IR Framework, will only become the universally corporate reporting norm when integrated thinking is firmly entrenched in management, board and investor mindsets, so IIRC needs to continue to address integrated thinking and consider strategically how to bring this about globally as a core business concept. Illustrative case studies and thought-leadership papers and events should suffice for now. Guidance as such should be in collaboration with likeminded influential business, governance and investor organizations.

Alban Eyssette, SFAF

Undecided. Although we understand the concept of integrated thinking, we suggest to focus first on tangible facts and processes rather than communication gestures.

Amanda Nuttall, Think Impact Pty Ltd

Yes. Yes! It is critical that the reporting activity and community drive and influence how business and all parts of the economy think about and account for all forms of capital - social, economic and environmental. The business community has a critical role to play in re-imagining how we account for and create long term value. Addressing integrated thinking more deeply is about developing regenerative business models, that create value within our planetary boundaries and that is distributed across geographies and time horizons. The silent majority are our future generations who will inherit the value we decide to create or destroy today. They have no power to influence today's business decisions. Addressing the concept of integrated thinking more deeply is about long-term thinking, intergenerational justice and equity.

Anant Nadkarni, Advisor Value Creation

Yes. This is an evolving process, but the deeper it goes the better to link business to value creation goals. While there would be systemic solutions evolving over time, the basic attitudinal requirement is whether every employee, or at least every functional head realises they are working beyond resource management towards Value creation!

Anne Adrain, ICAS

Yes. The concept of integrated thinking is what differentiates the Framework from other reporting frameworks, therefore it is important that the IIRC considers this concept more deeply. And notably it is this concept which presents the biggest challenge for many preparers. This exercise need not necessarily be considered as part of the revised Framework, but perhaps as a separate, distinct project or initiative that encourages the sharing of examples of best practice.

April Mackenzie, External Reporting Board (XRB staff views)

Yes. In our view, integrated thinking underpins. We believe that in practice the majority of organisations are using the creation of the integrated report as the impetus to get internal groups together to think through and agree on strategic priorities, business models, key resources, key outcomes/KPIs etc. and so drive alignment in thinking about what to report – and then embedding integrated thinking within the organisation. Other organisations may start with internal education and change internal policies, practices, tools, decision making processes, remuneration frameworks and reporting to drive the required change before they broaden their external reporting. The risk with starting with the integrated reporting is that people inside the organisation are not being brought on the change journey. Internal systems, processes and behaviours are not then aligned to what is being reported externally. The business case and implementation plan needs to cover both the reporting and the internal change agenda to achieve the full benefits of. Practical examples of how to deal with the barriers to integrated thinking, for example, embedded organisational culture, underlying systems and processes. This could be done by providing case studies of organisations that have successfully embedded integrated thinking into their organisations.

Aranzazu Piñeiro López, REPSOL

Undecided.

Artie Ng, Independent

Yes. Yes, please refer to my explanation under Q.12 above. A broaden integrated framework with other existing standards would be useful.

Aruni Rajakarier, SheConsults (Pvt) Ltd.

Yes. IIRC should articulate more clearly the benefits and processes for embedding Integrated Thinking in organisations, particularly at Senior Leadership levels. More weight to IT in the IR Framework? Work with institutes of directors around the world to promote integrated thinking.

Bandile Manyana, Independent

Yes. Integrated thinking is the foundation of integrated reporting. In order to compile and prepare an integrated report that is of the most value to its users, the organisation and members compiling it must have a mindset of integrated thinking. The current Integrated report mentions connectivity and integrated decision-making, but at a very high level. The IIRC needs to deeply unpack integrated thinking in the framework or a separate manual for users, before the users can even begin to apply integrated reporting.

Barry Cooper, Deakin Integrated Reporting Centre

Yes. Yes. There is a need to provide far greater depth of guidance as to what integrated thinking means in practice. Ordinary business language should be used to the extent possible, and it should be reconciled to the guiding principles and content elements of the Framework. Integrated thinking is at the heart of the way we teach integrated reporting in the Deakin University Faculty of Business and Law. We equate integrated thinking to better business practice and thus use 'business terminology' as taught in business subjects to the extent possible, using consistent terminology in relation to concepts such as strategy, resource allocation, business model, business processes, critical success factors within them (the way in which resources and relationships and used in critical activities within key business processes), governance, risk and opportunity management, and key performance indicators. Successful integrated reporting adopters (e.g., Cbus) invariably note that integrated reporting drives better business practice. It is the intellectual anchor point for the organisation's integrated thinking.

In addition to qualitative research into the benefits of integrated reporting for all stakeholders (e.g., customers, employees, suppliers, regulators and civil society, as well as investors), the Deakin Integrated Reporting Centre will also be conducting qualitative research into the business improvements resulting from integrated reporting.

Begoña Giner Inchausti, European Accounting Association's Stakeholder Reporting Committee

No. We believe that the “Integrated Thinking & Strategy State of play report” published by the IIRC's Integrated Thinking & Strategy Group significantly improved the general understanding and application of the concept of integrated thinking. As such, it may be convenient to create an ad-hoc guidance document.

Brad Monterio, Institute of Management Accountants (IMA)

Yes. We believe that integrated thinking is a critical part not only of integrated reporting but also of effective management over all of an entity's collective resources for its multiple stakeholders. This enterprise-wide mindset is a crucial aspect of the capabilities that are needed by finance and accounting professionals in business. We believe that this mindset can facilitate the development of corporate purpose and values. It drives the development of enterprise-wide strategy, and it enhances relationship assets, performance, and value. We believe this is a high priority. IIRC's materials would benefit from further clarification and practical applications regarding the definition of “integrated thinking.” On the ground today, the way the term “integrated thinking” is defined and discussed varies widely. More specific, actionable guidance that focuses on 360 degree organizational line-of-sight, integrated strategy, and decision-making would be highly valuable. Even more broadly, we view IIRC's role as a global forum for thought-leadership and debate as its principal value. It allows a vibrant means for key stakeholders to consider the strengths and pitfalls of various regulations, frameworks, methodologies, and trends.

Brett Simnett, Radley Yeldar (RY)

Yes.

Bronwyn Forsyth, Strategic Advisory and Communications

Yes.

Carol Adams, UNDP SDG Impact Team

Yes. Sustainable development risks and opportunities are insufficiently considered in mainstream risk assessment and as such corporate strategies and business models do not respond to them. Therefore, the requirement to consider them needs to be made explicit as in The Sustainable Development Goals, integrated thinking and the integrated report (Adams, 2017 published by IIRC and ICAS) and Sustainable Development Goal Disclosure (SDGD) Recommendations (Adams et al, 2020 published by the IIRC and others).

Carol McAleenan, AngloGold Ashanti Limited

Yes. Integrated thinking is a concept - not a well - defined standard and it may differ across industries. Integrated thinking guidelines by industry, including case studies may assist companies in building an integrated thinking approach. Practical workshops and best practice publications would be useful guidance.

Christoph Deiminger, Arbeitskreis Integrated Reporting und Sustainable Management der Schmalenbach-Gesellschaft für Betriebswirtschaft e.V. (Working Group on Integrated Reporting and Sustainable Management of the Schmalenbach-Gesellschaft für Betriebswirtschaft)

No. We think that the IIRC addresses integrated thinking in the framework to a sufficient extent. Integrated thinking is and remains an intangible concept that builds the core of IR. Integrated thinking needs to be part of a companny's governance system and corporate culture. Thus, the concrete application of the concept is very company specific. Therefore, the path the IIRC has taken so far, to provide case studies on the companies´ experiences and challenges regarding the application of integrated thinking, is an appropriate one to our conviction. At this point we would like to note that the direct exchange of experiences and opinions between people is often more effective than the communication through digital tools or reports. In order to promote such an exchange, we encourage the IIRC to continue or even intensify its efforts to offer events and other possibilities where interested parties can get in touch and discuss issues and challenges of integrated thinking (and reporting) and can learn from each other. We would therefore like to encourage the IIRC to continue in providing these types of case studies. However, the insight into particular corporate experiences could be increased by widening (even more than already done) the scope of industries and/or by focusing on specific current business or societal challenges, like e.g., the Corona pandemic. In this respect, it would be helpful to showcase the value added that integrated thinking really could provide to the companies and to society. It is surprising that the IIRC did not build on its Integrated Thinking & Strategy – State of play report which was published earlier this year. In this report the general concept of value creation (fig. 2 in the framework) was extended (going from the string to the spring model). While it might not be necessary to extend the prior model, the thoughts and concepts discussed in the state of play report might help to further clarify the multi-capital approach and the long-term perspective of integrated reporting.

Christopher Joy, Hong Kong Institute of CPAs

Yes. This is essential to enable integrated reporting to add value. Examples and/or case studies.

Cora Olsen, Novo Nordisk

Yes.

Cornis Van der lugt, University of Stellenbosch Business School

Yes. Can issue voluntary, technical guidance on this. Tools for applying integrated thinking, including integrated risk management and tools of management accounting (provided by partners such as IMA and AICPA-CIMA).

David Hackett, CIMA

Yes. The term is well defined in the IR Framework for the purposes of producing an integrated report. However, we believe that this would be a good opportunity to highlight the IIRC's recent work around best practice and integrated thinking.

Departamento Contaduría Pública Departamento Contaduría Pública, Universidad Central

Yes. We believe that one of the weaknesses of the IR framework is the imprecision of the concept of integrated thinking. However, it is addressed in the IIRC's online FAQs and the document developed by the Integrated Thinking & Strategy Group. We, therefore, agree that its significance and clarification in the framework should be further developed.

Edeltraud Guenther, United Nations University

Yes.

Elizabeth Middleton, Independent

No. Integrated thinking is self explanatory. The more details you give the more difficult it will be to achieve. Peoples/companies are most likely already doing this without even realising it.

Fabio Silva, Eletronorte

Yes.

Fay Hoosain, IRC of SA

Yes. Providing practical guidance as to how integrated thinking can be implemented organisation-wide will be useful for the governing body and management team alike. This high-level concept can be better explained in the opening paragraphs of the Framework, and a separate guide or FAQ issued which can include case studies and illustrative examples. Consider updating the definition of 'integrated thinking' in the Framework so that the integration of the capitals is referenced first followed by the integration of departmental information.

Francesca Flamini, Enel SpA

No. Maintain the concept at a high level allows different organization to interpret and tailorize the concept of integrated thinking at its own way, that depends also on the environmental context and its business purpose and model.

Gail Boucher, Principles for Responsible Investment

Undecided.

Gianmario Crescentino, ASSIREVI - Association of the Italian Audit Firms

Yes. In our opinion, it is necessary to address the concept of integrated thinking in a deeper and more through way. In our view, a further way to "guide" organizations through the process of integrated thinking - in addition to the training courses already provided by the IIRC and the analysis of existing best practices - could be the creation of a specific pre-assessment tool. Through this tool (which could be more or less structured - for example, at the beginning we suggest a simple self-assessment questionnaire) organizations will be able to develop a deeper self-awareness, as they will re-think their "integrated governance", their "integrated strategy" and company culture in order to better highlight the way in which they create value. In summary, it is our opinion that the IIRC should address the concept of integrated thinking more deeply, which could be done through: the implementation of a pre-assessment questionnaire as stated above; the creation of an online repository including research reports, position papers, case studies, etc. – all addressing the concept of integrated thinking and governance; the development of additional guidance concerning integrated thinking best practices.

Graham Terry, Independent

Yes. Judging from the number of people calling for more guidance on integrated reporting, I believe there is a strong case for the IIRC to develop some practical guidance on integrated thinking. There is a fair amount of guidance in the Integrated Reporting Framework, but it is spread through the Framework. I think COVID-19 has required many organisations to reconsider how they operate and formulate strategy. Running a business is extremely complex, given the volume and pace of change. From the reviews I do of integrated reports, I believe that many businesses do not pay enough attention to the external environment and how these issues can and do affect organisations. From discussions I have had with executives in different countries, I believe environmental scanning is often done on a very superficial basis, sometimes with the objective of justifying strategy. Very often organisations do not understand the medium to long-term impact of issues and the consequences thereof. I think the time is right for the IIRC to develop a framework with guiding principles on how integrated thinking can be implemented and enhanced. The framework needs to provide guidance on the kinds of areas that need to be addressed such as the external environment. It should also demonstrate the need of connectivity of information throughout the organisation. Equally important are the roles of the board and management. Boards need to support value creation and move beyond simply acting in a compliance role. I find most organisations, still reward executives based on financial success. If the organisation is serious about value creation, it needs to reward on the basis of value creation. I think the need for organisations to look at issues over the short, medium and long term is not understood. The impact of an issue on value creation can change dramatically if one views it over a longer period. Because the future is uncertain many organisations are looking at scenarios so that they can be prepared for different outcomes. These are just a few examples of issues that I believe could be included in a framework for integrated thinking. I think such a framework would be very helpful to smaller businesses that don't necessarily produce integrated reports for their stakeholders but would benefit greatly from the implementation of integrated thinking and improved internal reporting on an integrated basis.

Graham Terry, The South African Institute of Chartered Accountants - Cape Town Discussion Group

Yes. The discussion group felt there was a need for more guidance on integrated thinking. The IIRC should consider providing a supplementary framework on integrated thinking which includes guiding principles.

Habeebu Rahman Kadavan, Pondicherry University

Yes.

Hendrik Rosenthal, CLP Holdings Limited

Yes. Encouraging integrated thinking is one of the main ways in which adds value. The Framework can mention that integrated thinking case studies are available on the website and indicate where such information can be found. The case studies can be sorted based on the organization's sector and based on the year the case studies were prepared.

Henry Daubeney, PwC

Yes. However, there may need to be more of a 'building blocks' approach to highlight how reporting under the framework will practically change what people do. See our response to question 15 below. Areas of focus for addressing integrated thinking should include: How to assess and report the trade offs between capitals - moving away from a net position (see earlier comments). How to report on the culture of the organisation.

Huey Jiuan Yan, HELP University

Yes. How the integrated thinking can be 'operationalised' in substance in organisation. Those in charge of respective 6 capitals governance (with the right skills set eg. HR, IT, Finance, social & relationship & natural capital) ought to present at the governance committee / Board level to ensure proper integrated 'thinking' on managing the 6 capitals.

Ian Kramer, CFO Forum

Yes. Integrated thinking is a concept – not a well – defined standard and it may differ across industries. The concept of integrated thinking should be explained in the framework with more detail and practical examples included in supplementary documents such as guidelines by industry, case studies and best practice examples.

Inés García Fronti, Buenos Aires University

Yes. Greater explanations of what is integrated thinking and links to deepening.

Innocent Okwuosa, Nigerian Integrated Reporting Committee

Yes. Yes, IIRC should address the concept of integrated thinking more deeply. The IIRC conceptualization of integrated thinking is comprehensive and provides a good foundation for deepening integrated thinking. We support addressing integrated thinking more deeply to interrogate the context upon which it operates. By considering the context in which integrated thinking occurs, a deeper understanding ensues. For example, in which context does integrated thinking operate for a business. This will entail interrogating the corporate objective, the culture of the people, societal expectation, managerial incentives, inequities, future generations' needs.

Irina Paschke, Kirchhoff Consult AG, Hamburg

Yes. Definitely yes, because of the importance of the concept. In particular, demonstrating various levels of integrated thinking and how this shows would be of help. What are the indications that there is an existing level of integrated thinking? How much time does this take according to reporters who already succeeded in that respect?

Ivan Topolya, Independent

Yes. While the development of integrated thinking within the organizations is a matter of committed practice, IIRC might - address the concept of integrated thinking more deeply to those charged with governance and providing corporate accountability by promoting Integrated Reporting Framework as the basis for the Integrated Governance which communicates with all relevant stakeholders through Integrated Governance Reporting, that is integrated report -supplementing governance cycle (strategy and resource allocation, risks and opportunities, performance, and outlook) in Figure 2 of the IIRF with the management cycle (e.g. planning, organizing, monitoring, control) to provide another level of integrated thinking dissemination and hence to support integrated thinking adoption and implementation.

J Robert Gibson, Hong Kong University of Science and Technology

Yes. Encouraging Integrated Thinking is one of the main ways in which adds value. Case studies graded by level from (a) Starter; to (b) Mature to (c) World leader.

Jake Atkinson, Climate Disclosure Standards Board

Yes. If integrated thinking is the basis for integrated decision-making and reporting, and there are calls for greater guidance, then yes, more guidance is necessary. Illustrative case studies that IIRC have already produced are certainly helpful, but perhaps more active knowledge development is called for, such as through workshops or interactive webinars.

Jayantha Nagendran, Smart Media (Pvt) Limited

Yes. Integrated reporting is essentially an output arising from integrated thinking, although in practice the two go hand in hand through an iterative process. It is integrated thinking that enables the development, introduction and maintenance of a robust business model, strategy, governance and risk management framework. Hence, its importance. Guidance should include implementation aspects in addition to concepts. There are challenges that need to be addressed, ranging from leadership buy-in to organisational change plus a host of other details for effective institutionalisation of integrated thinking to take place. The entry point could be at strategy formulation.

Jo Cain, Materiality Counts

Yes. Yes – this is where we explore the PREQUEL to IR. Integrated thinking comes first. Then value creation/erosion through the strategy implemented via the business model. An Integrated Thinking Framework could add value and many reporting entities would welcome some guidance on this with open arms. We all appreciate that the Report is the end point, the thinking comes first. Guidance on the processes involved in implementing Integrated Thinking. "How To Practice Integrated Thinking - The Prequel to IR". Examples and short case studies will be critical.

Johannes Dumay, Macquarie University

Yes. I think it is too vague. A practical explanation - at the moment it is an ambiguous concept. Integrated thinking is tied to organisational culture - how the organisation thinks, not individuals.

John Gill, CPA (Australia) retired

Yes.

John Purcell, CPA Australia

Yes. The foundation of in the notion of integrated thinking has been a key differentiator from other reporting frameworks and has contributed to the evolving understanding of the purposes of corporate reporting within economic and market systems. Reporting within these systems is transforming in response a diversity of environmental and social challenges. It is commendable that the extended phase “preservation or erosion of value” (emphasis added) is used in both the Glossary and elsewhere throughout the Consultation Draft. However, we note that the Glossary definition correctly focuses on integrated thinking as part of improved management practices, through use of the terminology “relationships between various operating and functional units.” As such, we query whether there are limits to which a reporting framework, per se, can influence what is, in essence, management practice. One area of additional guidance we suggest might be worth exploring is to address ‘integrated thinking’ more forthrightly in terms of governance practices dealing with evolving and systemic risk. In this respect, we suggest a possible deeper reference through an integrated thinking approach to the external environment which clearly, as is illuminated in Fig. 2, forms the surrounding context shaping and impacting the business model at the centre of the value creation process. Figure 2 does identify ‘governance’, and we suggest as a possible external reference the type of analysis undertaken by the World Economic Forum (WEF) in its annual risk reports.

Jona Basha, Accountancy Europe

Yes. We believe that the term is sufficiently defined and referenced in the Framework for the purposes of the framework itself and to serve the integrated report. The term and its applications consist of changes in corporate reporting behaviour to consider in decision-making how the outcomes of the business activities create, preserve or erode value and what the wider impacts of the business are. Therefore, instead of further including it in the Framework, the IIRC could set up a hub or lab to allow companies to share their practices on the topic and publish best practices.

Jose Luis Lizcano Alvarez, Spanish Association of Accounting and Business Administration (AECA)

Yes. Indeed, this concept should be addressed in more depth in the body of the framework, taking into account the feedback that the IIRC already has in this regard. For example, incorporating some examples on how to approach such integrated thinking shown in the FAQs and in the case studies, but without being too specific (for example, as paragraph 4.19). In any case, although integrated thinking is important, it would be advisable to specify more about a guide for preparing an Integrated Report according to the framework.

Joshua Rayan, Joshua Rayan Communications

Yes. This is lacking in most companies. Please refer to our LinkedIn page for how we have championed this among companies, but there is plenty more work to be done. Examples of how integrated thinking is reflected in an organisation.

Juliet Taylor, WBCSD

Yes. Integrated Thinking is crucial for understanding how value creation depends on the intersection between different stakeholders, capitals and activities – in particular, all forms of capital, all providers of capital, outcomes and impacts from business activities etc. That is not to say that integrated reports should necessarily cover all outcomes for and impacts on the capitals. Rather those outcomes, impacts and stakeholders should be taken into account (in association with other initiatives and framework developers) in evaluating value creation and how it is disclosed in integrated reports to providers of financial capital.

Karen Koch, Eskom Holdings SOC Ltd

Undecided. We believe that integrated thinking comes with experience, and while the IIRC could provide some guidance on the matter, it would be difficult set out comprehensive guidelines.

Kelli Favato, Independent

Yes.

Kevin Dancey, International Federation of Accountants (IFAC)

Yes. We believe integrated thinking is a critical part of integrated reporting (and a key differentiator from other reporting forms) as it should lead to business embedding a long-term value creation mindset through greater interconnectedness of thinking and decisions within organizations of all sizes. Integrated thinking will hopefully lead to better outcomes from corporate reporting that addresses systemic risks to capital and financial market systems and sustainable development challenges. (See IFAC's Point of View on Enhancing Corporate Reporting. To position the Framework more clearly as being about both integrated thinking and reporting, we suggest considering whether the Framework could be re-branded, for example as a 'Framework for Understanding and Reporting on Value Creation', or a 'Framework for Reporting on Value Creation'. The definition of integrated thinking in the Framework and the subsequent explanation in the IIRC's FAQs, would benefit from further clarification and practical application guidance. The way integrated thinking is defined and discussed varies. The work of the IIRC's Strategy and Integrated Thinking Group does not directly use the definition in the Framework. Building on the work of the Strategy and Integrated Thinking Group, additional work to address the definition and description of integrated thinking is important.

Leda Romero, Kellun

Yes.

Lisa Martin, Sustainz Business Solutions Limited

Yes. Of critical importance in ensuring uptake of the Framework, and ensuring authentic and enduring value creation is optimised. While the report library provides useful examples, it will not provide deeper insights into what truly integrated thinking looks like and delivers. Perhaps peer-to-peer support would be valuable. Additional guides on the application of integrated thinking, with worked examples, would help here. Need to give explicit consideration as to the distinctions between public and private sector organisations, as well as for-profit and not-for-profit entities.

Loshni Naidoo, SAICA

Yes. It remains an abstract concept and clarity on what the Framework is aiming for is required. Integrated thinking is a core component in the overall integrated reporting framework and therefore merits a more detailed and robust inclusion within the IIRC framework. Industry/ sector - specific case studies or guidance for organisations on how to go about integrated thinking and for reporters on how to incorporate that into their corporate reporting.

Lydia Tsen, Chartered Accountants Australia and New Zealand

Yes. Integrated thinking is crucial to supporting integrated reporting, as it encourages a long-term value creation mindset within organisations. In this way, we encourage the IIRC to continue to address the concept of integrated thinking. Guidance could be provided by way of further clarification and practical examples in the various supporting materials.

Manuela Macchi, Independent Sustainability Director and Associate partner YourCEO

Yes.

Maria Angelica Costa, Modena & Ana Consultores Associados

Yes. The term "integrated thinking" is difficult to be internalized once that to change the way how company operates in the management of its business, there must be a process to be followed / practiced, leading to cultural change. The term "integrated management" should be better understood by companies.

Marina Michaelides, AUASB

Yes.

Mark Babington, Financial Reporting Council

Yes. We believe that integrated reporting is a powerful concept. We believe that for integrated reporting to be effective it needs a joined-up approach to preparing reports within organisations. In addition, board consideration of the wider matters that impact the long-term value of the company are at the heart of integrated reporting. The director's Section 172 duty in the UK and the reporting thereon through the Strategic Report provide useful guidance.

Mark Hucklesby, Grant Thornton International Limited

Yes. Over the last 10 years, we believe the linkage between and integrated thinking has been well established. Case studies around the globe, supported by academic research, have demonstrated the benefits of linking the two. While there will always be the call for more guidance in this area, we think for larger organisations, there is good empirical evidence to prove the benefits of linking the two. Our concern is with small and medium sized enterprises. We would like to see the IIRC encouraging more entities in this part of the global economy to demonstrate the benefits they have generated from linking these two concepts together.

Martin Fryer, Mercury NZ Limited

Yes. Integrated thinking is fundamental to the integration of sustainable business practice, integrated report is one output. Guidance should be created to show the integrated approach is transferable to business planning which in turn facilitates integrated reporting and associated transparency.

Milan van Wyk, University of Johannesburg

Yes. There is still significant uncertainty as to the origins of integrated thinking and what it actually is. An improved definition accompanied by examples would go a long way towards clearing up confusion that currently surrounds integrated thinking. The practice of integrated thinking is fundamental to IR. We I believe that the IIRC could provide some useful guidance by bringing together the various elements in the current Framework and establishing some guiding principles on how to embed integrated thinking in an organisation. Part of this exercise would be to translate integrated reporting into management and board reporting which will dovetail with the need to embrace technology.

Monique Pattillo, Calvert Research and Management

Yes. It would be helpful to establish a concrete set of factors or principles to consider.

Mosireletsi M Mogotlhwane, Botswana Institute of Chartered Accountants

No. Framework clearly explains integrated thinking and no further clarification is required.

Muhammad Imran, CSRCP

Yes.

Nadia Schoeman, Kumba Iron Ore Ltd

Yes. If a company applies integrated thinking the preparation of a quality Integrated report becomes so much easier - I do think in the times we are currently living in that only companies that apply integrated thinking will survive over the longer term - there are a lot of benefits.

Naveed Abdul Hameed, FCA, The Institute of Chartered Accountants of Pakistan

No.

Nick Ridehalgh, Australian Business Reporting Leaders Forum

Yes. There is a need for both practical case studies (how to embed integrated thinking across an established business) as well as academic research to support and quantify the business benefits achieved over time through effective implementation. The IIRC should try and use traditional business language to explain the integrated thinking concepts around strategic decision making and capitals allocation.

Nimet Vural, Independent

Yes. To me, integrated thinking is about a community of practice that sits about and builds on each other their latest thinking, best practices. It's a way to create a shared platform. In my mind, if you are implementing the IR framework, then you are putting into practice integrated thinking.

Nowmitta Jahanzaib, ICMAP

Yes. It should address the concept more deeply and advertise it more and more as when any thing is advertised or explained by a celebrity or a big business tycoon or for instance Prince Charles has encouraged its adoption and it has gone beyond words can explain how the concept has travelled far and wide; still needs to be explained more on you tube and interviews more webinars and case studies. Additionally, more deep understanding is required about integrated thinking and the connectivity and interdependence of all the basic elements of IR Framework.

Nur Syaida Wan Muhammad Maznin, Malaysian Institute of Certified Public Accountants

Yes. We are supportive of the IIRC to further address the concept of integrated thinking as the extant publications on integrated thinking by other bodies are, in our view, not sufficient to guide the understanding and implementation of integrated thinking.

Nurmazilah Dato' Mahzan, Malaysian Institute of Accountants

Yes. The case studies in the Integrated Thinking and Strategy document should be updated regularly to provide more recent examples from leading adopters. Consider distinguishing the different maturity level of reporters, where possible.

Omair Jamal, Independent

No. The Framework has been articulated in such a way that it inculcates integrated thinking within the organization.

Patrick Kabuya, Africa Integrated Reporting Council

Yes, this is important. The concept of integrated thinking has not yet been fully appreciated especially in jurisdictions where the concept is being introduced. Based on experiences of applying the concept over the past 10 years, we propose collating and analyzing the lessons on integrated thinking and determine how best to further strengthen and simplify the definition, the concept and guidance on integrated thinking currently in Framework.

Paul Hurks, NBA

Yes. Integrated Reporting is the end game of a whole process of Integrated Thinking. The added value of the initiative lies therefore in Integrated Thinking. NBA participates in the SIG for Integrated Thinking on the way to more guidance. We recommend to develop guidance that aligns with existing governance models like COSO.

Penny Gerber, Pick n Pay Stores Limited

Yes. Integrated thinking is a concept - it is not a well-defined standard. Integrated thinking guidelines by industry, including case studies would assist in building an integrated thinking approach. Practical workshops and best practice publications would be useful guidance.

Priyanka Mathur, Confederation of Indian Industry

Yes.

Reina Mizuno, Japanese Institute of Certified Public Accountants

Undecided.

Research group NEPERSC - Center for Studies and Research and Extension in Corporate Social Responsibility (Marguit Neumann - teacher, Monique Moretti Bonadio, Kelli Juliane Favato and Isabelle Caroline Bevilaqua), Universidade Estadual de Maringá-UEM

Yes. Should the IIRC address the concept of integrated thinking more deeply? If yes, what additional guidance is needed? In our studies the implementation of integrated thinking enables the organization to integrate sectors, ensures connectivity and the development of an integrated thinking chain for the entire business, through synergy between the areas. Integrated thinking occurs concurrently with the formation of working groups established by areas that until then had not worked as a team. In this sense, integrated thinking can help the individual actor to understand what his role is and what he brings to the organization, as well as in the actors' perception of the institution's identity. The adoption of IR and integrated thinking changes the organization's processes (e.g., Itaú Unibanco) and enables the definition of the business model to be based on its decision-making processes. At the same time, the findings suggest the existence of difficulties in the dissemination of integrated thinking to all employees of the institution. So, the answer is yes. The concept of integrated thinking presented by Framework 1.0 for IR is not clear and objective. This fact makes it difficult for users (report writers and academic community) to understand the meaning and scope of the term "integrated thinking". Suggestion: Expand the discussions on the theme in order to raise concepts and characteristics capable of defining and explaining to users the meaning of integrated thinking. In addition, to develop and make available to the community, measuring instruments (scales) capable of identifying integrated thinking in organizations. This is relevant because it allows organizations to become able to make this diagnosis and report later to their stakeholders. The dissertation (iii – Isabelle Caroline Bevilaqua and Marguit Neumann) offers a scale model for measuring integrated thinking in organizations. The scale is in the stage of empirical application to assess its applicability and we are willing to carry out this application through the IIRC.

Richard Chambers, The Institute of Internal Auditors

Yes, and internal audit has an important role in this space given its responsibilities within organizations. The internal audit profession looks beyond financial reporting to provide transparency and insight into all facets of an organization's governance, controls, risk management, and, ultimately, the integrity of the nonfinancial information it provides. It is important to provide guidance that the communication of nonfinancial information does not begin and end with the report. The IIA believes that, for nonfinancial information to be valuable, it requires an organization to think, plan, operate and communicate with sustainability in mind at every step. Internal audit is a key partner for external auditors tasked with sustainability reporting because it typically has made the whole "integrated thinking" journey with the organization, and is therefore the resident expert to provide independent and objective assurance on all the structures and processes needed to gather, validate, analyze, and report nonfinancial data. The COVID-19 pandemic has amplified the interconnectedness of organizations, and internal audit's expertise and unique role has proven valuable in helping organizations move from crisis management, to issues management, to short-term risk management, to long-term risk management in order to find success. If external audit practitioners focus exclusively on assurance of the external report, with no account of the preparation and stages an organization needs to go through to be ready to even think about making such disclosures, the practitioners may struggle to deliver a service to the client organization in the most effective and efficient manner.

Richard Dale, Newcastle University

Undecided. There is too little reference to integrated thinking in the framework which is unfortunate. However, it is also important that you don't scare off organisations from prepared integrated reports for lack of a strategy underpinned by integrated thinking. This does feel 'chicken and egg' at times. Some would say that you can't get an integrated report without integrated thinking while others will say that an integrated report will often be the catalyst for integrated thinking. There is ambiguity here - which is no bad thing - and the Framework need to recognise this.

Richard Martin, ACCA

Yes. Integrated thinking is the ultimate objective to steer the economy to the long-term financial sustainability of businesses in society. Integrated reporting can help that process by requiring management to set out their thinking in terms of the different capitals across the business model, strategies, risks and performance measures.

Robbie Campo, Cbus Super Fund

Undecided. Cbus has been using the integrated reporting framework for 6 years. In our experience, the adoption and application of the framework should be thought about as a journey and the organisational benefits are definitely accretive. We believe that as our application of matures, our integrated reporting is more a natural reflection of integrated thinking. In our view, the reporting structure and the strong commitment of the board and senior management of our organisation to the objectives of has promoted our maturation in integrated thinking. Aside from providing ongoing case studies to highlight the journey and benefits of, we cannot suggest further guidance to explain the concept of integrated thinking.

Ron Gruijters, Eumedion

Yes. As we stated under question 1, we are under the impression that many preparers apply elements of the IR Framework to their annual reports, without applying elements of integrating thinking within their organisation. This hinders organisations and stakeholders in grasping the full benefits of integrated thinking. By now, quite a number of organisations must have experienced truly adopting integrated thinking. We can imagine that the IIRC can further contribute in this realm, possibly by sharing good practices and case studies. We can imagine that the IIRC can further contribute in this realm, possibly by sharing good practices and case studies.

Ruchi Bhowmik, EY

No. The Executive Summary, Guiding Principles and Content Elements sufficiently outline the market evolution for integrated reporting and how this helps organizations focus on value creation in the short, medium and long term. Following this introduction, the concept of integrated thinking is sufficiently demonstrated in the interdependencies between financial and non-financial capitals outlined within the framework.

Sarah Dunn, Institute of Chartered Accountant in England and Wales (ICAEW)

Undecided. As a central concept underpinning the Framework, we agree that it is helpful for the IIRC to continue to consider the concept of integrated thinking. We would not expect any further deliberations to translate into further guidance in the framework, but rather to help contribute to other aspects of the IIRC's work. For example, adding examples of good integrated reporting to the database, and collaborating with their stakeholders on projects including discussions around achieving a global non-financial reporting standard.

Sinem Ozonur, Garanti BBVA

Undecided. We are uncertain about how to address integrated thinking more deeply as we believe and as the Framework points out, it is the prerequisite of integrated reporting and actually integrated reporting is just an outcome of integrated thinking.

Solange Garcia dos Reis, Universidade de São Paulo

Yes. The term 'integrated thinking' gives an idea of a way of thinking and not of a tool with procedures to be followed. It concerns the ability of people, whose development would allow the adoption of integrated processes, more favourable to the creation of value. It seems that the IIRC's effort has been to show structured and operational procedures (how to do) to try to clarify the concept. However, this seems to cause more confusion, since it is necessary to define the concept (constructo) first and perhaps use an artefact with another name to refer to what is generated by an integrated thinking dominant within organizations - integration between areas, engagement with a wide range set of stakeholders and others. It is necessary to clarify the difference between the ability to think in an integrated way and how the application of integrated thinking in practice could be perceived - in the processes, systems, procedures that are developed by the organization for the preparation of the report. This could encourage and guide organizations to use numerous existing tools to help develop their managers' systemic thinking skills. Some references: - Oliver, Judy, Gillian Vesty, and Albie Brooks. "Conceptualising integrated thinking in practice." Managerial Auditing Journal31.2 (2016): 228-248. - Feng, Tianyuan, Lorne Cummings, and Dale Tweedie. "Exploring integrated thinking in integrated reporting–an exploratory study in Australia." Journal of Intellectual Capital18.2 (2017): 330-353. - Martin, Roger L. The opposable mind: How successful leaders win through integrative thinking. Harvard Business Press, 2009.

Stefano Zambon, Italian Foundation for Business Reporting (OIBR Foundation)

Yes. General considerations. Participants in the Roundtable emphasized the importance of integrated thinking, intended as a crucial complement to Integrated Reporting. In fact, the real goal of this last document is to change how organizations are managed (precisely in an integrated way) and think. In this respect, attention should be devoted also to the participation of human capital. The indication to the IIRC is to restart with a better specification of integrated thinking and from the application Guidance developed by the OIBR Foundation a few years ago, the only one existing globally to help companies implement this different way of governing and managing their respective organizations (see below). Detailed indications Integrated thinking needs to be better integrated in the Framework with specific reference to its roles and functions. Ad hoc guidance should be developed by the IIRC. A possible useful reference on this can be the OIBR Foundation's Guidance titled "Handbook on Integrated Reporting and Thinking".

Takayuki Sumita, WICI Global

Yes. Companies recognize integrated thinking more importantly when they think of their business from the viewpoint of stakeholders outside of them, compared with when they think of it from their own internal viewpoint. The IIRC should more explicitly inform companies of this. It is advised that the IIRC provide a guidance on integrated thinking by providing good practice of integrated report where companies indicate integrated thinking as a basis, with some reference to WICI paper on CFO guidance issued in 2020.

Tim Sheehy, The Chartered Governance Institute

Yes. The process for the preparation of an integrated report can bring significant value internally is aligning the thinking of senior management and the board. Some would say that the internally derived value equals the value to investors. Whilst the principle of integrated thinking is documented in various documents there is room for a greater emphasis as there is a possibility that many preparers may fully appreciate the linkage.

Toni Lutz, Prosus N.V.

Yes. More industry specific guidance and examples required across all sectors.

Umair Khan, MCB Bank Limited

Yes.

Usha Ganga, Center for Multiple Value Creation - HAN University of Applied Sciences

No. The definition is clear.

Valeria Café, Brazilian Institute of Corporate Governance (IBGC)

Yes. The concept of integrated thinking is the very foundation of the entire framework. It must continue to be emphasized and disseminated, to reach audiences that have not yet understood it. The more comprehended and disseminated the concept, the closer will be to achieving its objectives. If possible, highlight the concept of integrated thinking and its relationships within the framework, as a basis for the development of reports based on reflection, transparency, and accountability.

Vania Borgerth, CBARI - Brazilian Network on Integrated Reporting

Yes. Everyone agrees. Topics such as internal dialogue process, record in minutes, verification practices; promotion of learning and technological solutions should be reviewed to better contribute to the development of the concept of integrated thinking. Although Integrated Thinking is the central concept in the Framework of Integrated Reporting, it still requires efforts so that everyone can fully understand its concept. Integrated thinking: important to relate to the need for cultural change and everything it encompasses (corporate changes, new cultural elements inserted, new rites, etc.).

Veronica Poole, Deloitte

Undecided. We have consistently believed that integrated reporting should be an output of integrated thinking. To be adopted effectively, the concepts need to be embedded in the governance, risk, strategy and performance management of the organisation, including in metrics and targets. However, we do not believe integrated thinking should be further developed in the sense of formal guidance. We support the work of the IIRC's integrated thinking and strategy special interest group and encourage the IIRC to continue to illustrate examples of good practice. We also recommend the IIRC work more closely with partners such as The Prince's Accounting for Sustainability Project, the Capital Coalition and the Value Balancing Alliance on practical tools and approaches to embed integrated thinking more thoroughly in business practice. This collaboration is important in order to develop a coherent and cohesive approach to integrated thinking and avoid proliferation of initiatives (as we have seen around the reporting of metrics). In addition, co-ordination between the work on integrated thinking and on integrated governance is essential. The IIRC should therefore work with projects convened by organisations such as OECD/G20 to further to embed integrated thinking in their Corporate Governance Principles.

Vinicius Benevides, Independent

Yes.

Yew Kee Ho, Singapore Institute of Technology Yes. This is a natural progression. Balanced scorecard started out as a reporting framework and then became a strategic planning tool. I believe should go down the same route. Its greatest contributions may be in its integrated thinking and strategic thinking. The success of Balanced Scorecard is a two-stage process. First, it must become a widely use reporting tool. Thereafter, as a way of reporting, companies will deploy it as a strategic tool for planning and thinking. We may need the professional bodies and institutes of higher learning to make this into a standard reporting tool and then teach it as a planning tool. It must get mass appeal first.

Zhanna Kazakova, Rosneft

Yes. Application Guidance (ex. IFRS).

Question 14. Should the IIRC explore the role of technology in future corporate reporting as a priority? If yes, what technology considerations should be addressed?

Alan Willis, Independent

Yes. Hyperlinks, XBRL and other tracking, recording and communication technologies will be essential in a world where IR is linked to more detailed reporting channels, and where stakeholders/users need to be able to customize their information needs from specific sources under an overarching IR framework. See above.

Alban Eyssette, SFAF

Yes. The dematerialization of non-financial information should be explored provided that the XBRL information is not too reductive (indication of the definition, calculation, sources, etc.), remains of high quality and is readable by all parties, especially human stakeholders. Qualitative information should be encouraged as well.

Amanda Nuttall, Think Impact Pty Ltd

Undecided. Don't know if this is the role for IIRC, technology is important, but it's an IT issue. The IIRC needs to focus on the application of IR i.e., the take-up and quality of integrated reporting rather than the mechanics. Any explorations should include considerations for equal access.

Anant Nadkarni, Advisor Value Creation

Yes. This will utilise present work on data management and develop faster and systemic management of information. It may be necessary to have a platform for Integrated Reporting and perhaps build taxonomies to connect better.

Anne Adrain, ICAS

Yes. The use of technology is key to the evolution of corporate reporting and the way that organisations report their information and how it is used, whether through real time reporting or the interrogation and analysis of high-volume data sets. However, this should not be the current priority for the IIRC. The primary focus should be on the development of a framework that is capable of consistent adoption and application.

April Mackenzie, External Reporting Board (XRB staff views)

Yes. 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" 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.

Aranzazu Piñeiro López, REPSOL

Undecided.

Artie Ng, Independent

Yes. The principles of technological innovation and pertinent ethical issues, such as privacy and confidentiality, among the corporations.

Aruni Rajakarier, SheConsults (Pvt) Ltd.

Yes. It can support proliferation of best practice as most firms are "me too" models in many ways or are finding their way. Properly linked, we could minimise reinvention of the wheel and support cost reductions in technology as we have seen with solar to take just one example. Not sure.

Bandile Manyana, Independent

Yes. The IIRC should not go into detail on technology of the future (real time reporting and interactive integrated reports) as that is not the direct mandate, given that various organisations have different technology timelines, capabilities and cost considerations. The optimal approach would be for the IIRC to highlight the possibilities that technology may bring to IR. Thus, they can indicate that technology may be explored for the purposes of presentation and enhancement of the IR.

Barry Cooper, Deakin Integrated Reporting Centre

Yes. Technology considerations that should be addressed include: how to automate the reporting process to the extent possible, including linking it to the information management process (in terms of data capture, integrity, processing and internal reporting). Artificial intelligence will be important, but less so in relation to the more judgement-based aspects of integrated reporting – for instance, judgements made by executive management and overseen by the board of directors in relation to the business strategy. This should free up valuable resources for more analytical and interpretive work. These matters also drive the unique challenges of integrated reporting assurance, including the judgements required of the assurance practitioner in relation to the internal documentation of the business, including whether the documentation reflects the way the business operates in practice, and whether they are faithfully replicated in the integrated report; integrated report compilation, report distribution and stakeholder use. This will contribute to the better application of the connectivity guiding principle within the Framework, enabling more precision in stakeholder decision making processes (for example, in the financial models often used by the providers of financial capital and financial analysts). The IIRC could provide guidance on using existing technology such as XBRL, and working with expert partners. The IIRC can be an important source of intellectual capital (innovation, research and development and intellectual property on integrated reporting), rather than manufactured and human capital (development of technology), in this area. Over time, automation should also result in cost reduction.

Begoña Giner Inchausti, European Accounting Association's Stakeholder Reporting Committee

Yes. The IIRC might want to consider the extensibility of XBRL to integrated reporting information. In this respect, the IIRC could also collaborate with partners in order to provide training on digital skills. Please see the previous box.

Brad Monterio, Institute of Management Accountants (IMA)

Yes. We believe that this is a priority that requires significant collaboration among policymakers, technology solutions providers, regulators, standard-setters, preparers, auditors, and users. Technology is changing the ways that organizations access, aggregate, validate, control, and analyze decision-critical information, and this trend will accelerate in the future. Reporting is moving from the delivery of a paper-based document to the delivery of accessible, machine-readable data. This movement is systemic, which makes partnership with other organizations necessary. IIRC cannot do this on its own. The ways that organizations access, aggregate, validate, control, and analyze decision-critical information; creating accessible, machine-readable information.

Brett Simnett, Radley Yeldar (RY)

Yes. The introduction of ESEF in Europe means XBRL is becoming the standard for data comparison. See above.

Bronwyn Forsyth, Strategic Advisory and Communications

Yes.

Carol Adams, UNDP SDG Impact Team

Undecided. No more important than other matters raised in this response.

Carol McAleenan, AngloGold Ashanti Limited

Yes. Improving efficiencies, accessibility of information and the use of different report formats/media is an ongoing activity. As technology changes, organisations should embrace the changes that enhance balanced reporting. Guidance on technology to improve internal and external corporate reporting and drive integrated thinking would be useful.

Christoph Deiminger, Arbeitskreis Integrated Reporting und Sustainable Management der Schmalenbach-Gesellschaft für Betriebswirtschaft e.V. (Working Group on Integrated Reporting and Sustainable Management of the Schmalenbach-Gesellschaft für Betriebswirtschaft)

Yes. Although the question is imprecise and can be interpreted in both directions, the internal data generation/processing and the external corporate reporting, we believe that the exploration of the role of technology for all reporting purposes is unreservedly welcome. In particular, regarding the issue of evidence-based reporting raised in question 8 technology (such as artificial intelligence) could and will help a lot, for example to detect and report evidence-based connectivity, which is absolutely crucial to apply the concept of integrated thinking effectively in corporate management and reporting. Regarding reporting, we wonder why on p. 4 of Topic Paper 3 a discussion of the eXtensible Business Reporting Language (XBRL) is characterized as not worth pursuing. This statement is clearly opposed to current developments, especially at the European level, specifically regarding the European Single Electronic Format (ESEF) and the ongoing considerations on the application of ESEF to the newly created, standardized EU taxonomy regulation to facilitate sustainable investments. The regulatory aspects and possibilities of non-financial reporting will clearly come to the fore in the future regarding the application of technological tools. Considering that integrated reporting is often (not the least by regulators) regarded as beneficial to incorporate non-financial aspects in investors´ and other stakeholders´ decision making, it is very sensible to explore the possibility to increase the effectivity and efficiency of IR through the application of technology. It should be noted that XBRL might only be regarded as a relevant technology only over the medium-term for both reporting and data processing. The IIRC should bear in mind that only artificial intelligence and thus Big Data Analytics may be considered as a longer-term and all-encompassing technology for the future of corporate reporting. However, in this respect and regarding the ongoing general discussion about future reporting technologies, it would not be helpful for companies if the results that are brought to light by the IIRC are only of an unspecified nature. In our view, focused e.g., case studies with clear indications where, how and to what extent artificial intelligence or the concrete technology can have impacts could be beneficial. In any case, these undertakings should be linked to the overarching concept of integrated thinking and thus back to the application of IR and the IR framework. See our comments made above.

Christopher Joy, Hong Kong Institute of CPAs

Yes. Technology is vital in corporate reporting. This is not a matter that can be dealt with by IIRC alone and needs to involve all key stakeholders in reporting. This should be the key to linkage of integrated reporting and other reporting frameworks.

Cora Olsen, Novo Nordisk

No. I think this falls outside the scope.

Cornis Van der lugt, University of Stellenbosch Business School

Yes. The use of digital tools will be increasingly critical. Principles such as conciseness, comprehensiveness and connectivity applied better in online reporting relying on new software capabilities.

David Hackett, CIMA

No.

Departamento Contaduría Pública Departamento Contaduría Pública, Universidad Central

Yes. The fourth industrial revolution has led to scenarios for building more reliable and transparent forms of accountability that can be considered for integrated information. The link between integrated reporting and the blockchain, business intelligence, artificial intelligence, and data science, in general, could be explored.

Edeltraud Guenther, United Nations University

Undecided.

Elizabeth Middleton, Independent

No. Companies do not prepare Financial reports in the same format so I think the IR should follow the same practice.

Fabio Silva, Eletronorte

Yes.

Fay Hoosain, IRC of SA

Consider referencing 'digital, data and technology' so that the enquiry extends beyond the format of online reporting. Guidance regarding the following would be valuable: continuous/ real-time reporting, the use of concepts like XBRL, value creation tools/ calculators, real-time engagement with organisations, continuous assurance, the role of technology and related innovations, machine learning and data analytics. Also consider how these may impact and be impacted by the Guiding Principle of Conciseness.

Francesca Flamini, Enel SpA

Yes. Technology should have a more independent role and reality within the Framework, more linked to concept like digitalization and 'platformization'. Technology could ensure a more connected and reliable information.

Gail Boucher, Principles for Responsible Investment

Undecided. The PRI does not wish to comment on this.

Gianmario Crescentino, ASSIREVI - Association of the Italian Audit Firms

Yes. Technology is going to be increasingly important in the value creation process of an organization and in its reporting and communication processes. Indeed, it should be a priority in future corporate reporting with the following considerations: · technology will support some of the IR guiding principles, such as reliability and completeness; · technology will contribute to working in an environment oriented towards an increasingly shared and integrated approach, which in turn will lead to better integrated thinking.

Graham Terry, Independent

Yes. I think it is critical for the continued relevance of the IIRC for it to explore the role of technology in reporting. Technology is affecting and disrupting so many aspects of society and of business. The IIRC needs to determine how future reporting could be affected and develop its strategy accordingly. Issues such as XBRL and Blockchain need to be understood and built into guidance.

Graham Terry, The South African Institute of Chartered Accountants - Cape Town Discussion Group

Yes. Technology is affecting every organisation and it is already affecting many aspects of corporate reporting. It is therefore critical that the IIRC pursue the use of technology to remain relevant.

Habeebu Rahman Kadavan, Pondicherry University

Yes.

Hendrik Rosenthal, CLP Holdings Limited

Yes. The IIRC can continue to monitor the progress of technological developments in corporate reporting; consider its implications to the Framework; and see if these would require a further review of the Framework. However, the IIRC should refrain from providing a technological reference for reporting or report presentation format as it would derail its principles-based approach which focuses on the content. The IIRC may consider providing an online interactive tool or an online platform to allow report preparers/users to see real-time what the Framework, GRI, TCFD recommendations, SASB and possibly other frameworks/ standards each currently say on the same topic/issue if resources allow it.

Henry Daubeney, PwC

Yes. The integrated reporting Framework of the future will need to adapt to changing corporate reporting expectations driven by substantial technological developments rather than be fixed to references to a one time annual report, if it is to continue to be relevant. We note that the IIRC board have previously discussed the impact of technology on the future of corporate information that we discuss in our paper Tomorrow's world and we would be happy to meet with your team to support you further in your deliberations. We think technology developments will result in a demand by users for real time access and access to more source data with an ability to tailor to meet their own requirements in the medium term. Aggregators will play an increasingly important role in the dissemination of information which will both be from company generated sources as well others along the value chain of the company. A company's ability to synthesise this information and tell their own story will be all the more important and focus attention on the connectivity principle of the integrated reporting Framework. The focus on metrics and more quantitative information for capitals outside of financial capital will increase with the move to single electronic formats (e.g., European Union from 2020) or now) and the continued call for comparability. See above.

Huey Jiuan Yan, HELP University

Yes. Allows for timely, efficient and reduce cost of reporting. Not sure.

Ian Kramer, CFO Forum

Yes. Improving efficiencies, accessibility of information and the use of different report formats/media is an ongoing activity. As technology changes, organisations should embrace the changes that enhance balanced reporting. Guidance to improve internal and external corporate reporting and drive integrated thinking would be useful. For external reporting, the call by stakeholders for easier comparison between reports could be met by utilising technology like iXRBL or pdf to html for example. For internal reporting, collating information across the organisation using systems which facilitate integrated thinking including the tracking of inputs, outputs, outcomes and key performance metrics etc.

Inés García Fronti, Buenos Aires University

Yes. XBRL.

Innocent Okwuosa, Nigerian Integrated Reporting Committee

Yes. Yes, we agree that IIRC should explore the role of technology in future corporate reporting. IIRC should initiate a project on XBRL to help drive this. Having agreed thus far, we do not agree that exploring technology should be a priority over conceptualisation issues raised above. This is because when it comes to reporting, technology is only a tool for facilitating and implementing that which has already been fully conceptualized and understood otherwise it may result in a confounding effect in the sense of the popular saying “garbage in garbage out”. XBRL.

Irina Paschke, Kirchhoff Consult AG, Hamburg

No. This is not the core competency of the IIRC and can be left to those specializing on the topic.

Ivan Topolya, Independent

No.

J Robert Gibson, Hong Kong University of Science and Technology

Yes. Technology can make reporting more efficient and effective. But the extent works on it will be limited by the resources it has available. A) Encourage an XBRL taxonomy covering, GRI, SASB, etc. B) Provide an online interactive tool to allow report preparers/users to quickly see what GRI, SASB, CASS CSR 4.0 each say on the same topic/issue.

Jake Atkinson, Climate Disclosure Standards Board

No. The IIRC does not have the existing expertise and skills to address such questions immediately, which other organisations do have. There is also a point about learning to walk before running – is it not better to ‘fix’ the current mode of reporting to achieve the aims of integrated reporting before thinking about techno-solutions.

Jayantha Nagendran, Smart Media (Pvt) Limited

Yes. Technology is developing at breakneck speed and the day is not far away when technology will make a significant impact on corporate reporting. Enabling increased frequency of reporting as opposed to “annual”. Transcending the traditional mediums and channels of publication and communication.

Jo Cain, Materiality Counts

Yes. Suggest collaborating/partnering with other bodies on technology. A number of international bodies are working on this. E.g., the IAASB. Digital reporting frameworks and assurance standards and guidance. Digital IRs.

Johannes Dumay, Macquarie University

Yes. Periodic reports are an old technology. Web 2.0 - so that there can be "multi-directional communication" rather than one-way reporting.

John Gill, CPA (Australia) retired

No.

John Purcell, CPA Australia

On what might seem a logical path of development, there is a potential significant risk of losing focus, particularly if, as seems highly appropriate, the Framework evolves more towards a conceptual framework for comprehensive reporting embracing both financial and non-financial information. The IIRC, with its Framework, is more appropriately positioned as a driver, facilitator and influencer of these developments. These developments will occur within organisations as part of data assimilation between information that is outward facing to the organisation as part of 'real time' reporting, and within the market for information through mediums such as data analytics.

Jona Basha, Accountancy Europe

Yes. The IIRC could build on the ideas in our paper CORE & MORE: An opportunity for 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". See above.

Jose Luis Lizcano Alvarez, Spanish Association of Accounting and Business Administration (AECA)

Yes. Without a doubt, technology will be a fundamental factor for the usefulness of integrated reports. The eXtensible Business Reporting Language (XBRL), which is the basis of the future ESEF report in Europe, which is a reality right now.

Joshua Rayan, Joshua Rayan Communications

Yes. Use of interactive models for 3-D depiction of materiality and business models.

Juliet Taylor, WBCSD

Yes. WorldWide Generation has excellent examples of how technology can help support corporate reporting.

Karen Koch, Eskom Holdings SOC Ltd

No. I don't believe the IIRC should treat the role of technology as a priority, as it would differ vastly across various types of organisations. We should remain true to the principle of telling the story of how an organisations creates (and preserves and erodes) value, and not be too concerned about how that is done.

Kelli Favato, Independent

Yes.

Kevin Dancey, International Federation of Accountants (IFAC)

No. Technology will clearly impact the way organizations report in future. This goes beyond digital presentation of a report to the increased demand for real time reporting and a shift towards machine driven data analysis and algorithms driving investor decisions. However, IFAC does not believe that this should be a priority focus for the IIRC at this stage. We believe the IIRC should first focus its efforts and resources on how the Framework needs to further evolve to be considered an all-encompassing connected conceptual framework for reporting. See our response to question 15.

Leda Romero, Kellun

Yes.

Lisa Martin, Sustainz Business Solutions Limited

Yes. Information and technology can be used to improve the ability to search, access, combine, connect, customise, re-use or analyse information (page 17). As we transition to more online reporting, tools and resources, the use of enhanced technology is likely to become increasingly relevant and important, and could potentially provide a point of difference between integrated, and more traditional forms of reporting. The holistic nature of integrated reporting, and the focus on key principles such as connectivity, reliability, consistency and comparability, are likely to increase the importance and value of technology as an enabler. The use of technological solutions will be increasingly valuable in reporting on core elements, including resource allocation, performance and outlook, and ultimately, could provide a valuable opportunity increase both rates of uptake and effectiveness.

Loshni Naidoo, SAICA

Yes. For IR to remain relevant, it needs to embrace technology. For the IR to be perceived to create value, it must embrace the same ethos and construct as the modern day businesses which provide and create their integrated reports. XBRL taxonomy to include concepts of IR. Technology supporting real- time reporting is necessary.

Lydia Tsen, Chartered Accountants Australia and New Zealand

Yes. 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. To this extent, we encourage the IIRC to explore the role of technology in future corporate reporting although we recommend that the IIRC retain its neutral role until the relationship between technology and reporting develops further and potentially begins to become more comparable across different jurisdictions. For reference and as a way to support the IIRC in later considering the role of technology in corporate reporting, we have recently prepared a report considering the future of financial reporting which can be found here, alongside an **interview** between our Reporting and Assurance Leader and IASB Board Member, Ann Tarca.

Manuela Macchi, Independent Sustainability Director and Associate partner YourCEO

Yes. XBRL.

Maria Angelica Costa, Modena & Ana Consultores Associados

No. Improving by use of technologies can become Integrated Reports incompleted, for example: many reports are using links to get importants informations in other documents, but links should only be used to provide additional information and not to get the essential information.

Marina Michaelides, AUASB

Yes.

Mark Babington, Financial Reporting Council

Undecided. We believe that technology should play an integral role in the future of corporate reporting. We see it as an enabler of reporting. Whether the IIRC explores this should depend on its future plans for projects.

Mark Hucklesby, Grant Thornton International Limited

Yes. As the world becomes more digital and the ability to consume and process large datasets becomes much cheaper, we believe a more structured approach to digital tagging non-financial information and metrics will be needed. The IASB's experience on creating a taxonomy to support its standards has recently been **documented** and our view is that the IIRC should now be collaborating with other standard setters to develop and create a non-financial reporting taxonomy that ensures to the greatest extent possible, like matters that are non-financial in nature, are consistently captured and reported on. Just as the benefits of XBRL are only now starting to be reaped 20 years after it was first created, the creation of a taxonomy to support the non-financial aspects of integrated reporting should now be considered, even though it might take some time to develop and create, because we believe stakeholders and the preparers of integrated reports will want this.

Martin Fryer, Mercury NZ Limited

No. The priority should be on the continued adoption of integrated reporting and embedding integrated thinking, the contribution of technology should continue to be reviewed.

Milan van Wyk, University of Johannesburg

Yes. The IIRC should embrace the 4th Industrial Revolution (4IR) in order to remain relevant and for integrated reporting to mature as the frontrunner in the corporate reporting space. Integrated reporting must be part of the future of corporate reporting. 4IR provides an opportunity to develop reports that are available on a more regular basis, which should speak to "integrated thinking" and the process of value creation. The reports should not only be available moths after the reporting period end but needs to be more fluid.

Monique Pattillo, Calvert Research and Management

Yes. Technological advances are inevitable.

Mosireletsi M Mogotlhwane, Botswana Institute of Chartered Accountants

No. The role and influence of technology in integrated reporting should be addressed at organisation level. Each organisation should establish how it can harness the use of technology to enhance their reporting. Framework has already provided how technology can be used to the benefit of reporting entities e.g., to create information links.

Muhammad Imran, CSRCP

Undecided.

Nadia Schoeman, Kumba Iron Ore Ltd

Yes. We implemented technology and it has revolutionised the way we report - there is a lot to gain from this. Collaboration tools - these tools enable more than one person to work on the report at the same time, linking of information - this saves so much time and improves the integrity of the information - take a look at Workiva and the tool called Wdesk.

Naveed Abdul Hameed, FCA, The Institute of Chartered Accountants of Pakistan

Yes.

Nick Ridehalgh, Australian Business Reporting Leaders Forum

Yes. The key technology requirement is one that helps systemize integrated thinking across all areas of decision making and decision support (e.g., investment business case development and approval process having mandatory fields for completion relating to the impact considerations of each option across each material capital.) A secondary technology solution will enable integrated report compilation, review and approval and include workflow management, report build, multi-user access, close processing and approvals.

Nimet Vural, Independent

Yes. Quantum computers with artificial intelligence.

Nowmitta Jahanzaib, ICMAP

Yes of course if all resources are connected to each other just like various Erp's and softwares like Microsoft Great PLains and likewise. Yes, manpower should be brought under huge trainings and made familiar with the usage of IT to cover this gap specially in this time of pandemic this is a necessity. The old or middle aged employees are still not user friendly in an automated environment, they should be taken care of and trained and updated on regular basis in a friendly and encouraging environment.

Nur Syaida Wan Muhammad Maznin, Malaysian Institute of Certified Public Accountants

Yes. Technology is clearly the way forward and would agree that the IIRC explores the role of technology in future corporate reporting.

Nurmazilah Dato' Mahzan, Malaysian Institute of Accountants

Yes. Digital tools and technology are integral for organisations to communicate effectively especially during critical times. For example, the restrictions in traveling faced by many due to the COVID-19 pandemic, have accelerated the need for real-time and effective reporting. There is likelihood that future corporate reporting would evolve from annual to almost real-time disclosures or responses to digitally enabled stakeholders. There is also a growing trend of information being shifted from annual reports to digital documents/videos on online websites, more prominently for organisations that need to react faster to respond to stakeholders' needs. Furthermore, it will promote higher reliability of information with the assumption that the controls in place are working effectively while reducing the risk of human error and cost of manual work. This will in turn allow for better integration with business processes to achieve greater integrated thinking, to gather data on a timely basis for analysis and decision making, and to support the preparation of the integrated report. Technology will definitely have a role to play in integrated reporting, but as integrated reporting is still slowly gaining momentum and reported on a voluntary basis, the focus for the near future is to advocate for more organisations to embark on integrated reporting as a matter of priority as opposed to the role of technology in corporate reporting. For organisations that are not advanced in terms of the use of technology, the impression that they may receive about the advanced use of technology for integrated reporting may inadvertently deter them from moving towards integrated reporting. Nevertheless, to help new adopters as well as leading adopters in enhancing their corporate reporting, the IIRC may provide further guidance or scenario cases where technology has been deployed effectively and economically considering costs versus benefits. On another note, with the usage of technology, the question of reliability of data which requires effective internal controls for the extraction of data will arise and needs to be addressed.

Omair Jamal, Independent

No. The use of technology should be left on the preparers of report.

Patrick Kabuya, Africa Integrated Reporting Council

Yes. We agree that IIRC should explore the role of technology in future corporate reporting. It's evident that user of reports requires timely if not real time information in a form which they can easily extract the information that they require and analyze it. This is more so for Analyst. In addition, the quantity of information being generated on daily basis in organizations and its industry is a lot. Therefore, its critical to increasingly adopt and use technology to record, report and analyze information and reports. South Africa has adopted XBRL. We think this is a reporting tool that should be adopted globally to enhance timely and quality reporting. Since the Framework is principle based, it should encourage and provide guiding principles that organizations should consider in incrementally shifting to use of technology in their reporting regime.

Paul Hurks, NBA

No. As the IIRC develops a conceptual framework, technology may not be first priority although technology will be great importance in the future of reporting.

Penny Gerber, Pick n Pay Stores Limited

Yes. Technology should be harnessed to improve reporting efficiency, and to capture / access non-financial data - an imperative in balanced reporting.

Priyanka Mathur, Confederation of Indian Industry

Yes.

Reina Mizuno, Japanese Institute of Certified Public Accountants

Undecided. Since technology is rapidly evolving area and contains diverse elements, it may be difficult for the IIRC to directly handle this subject. On the other hand, there may be certain needs for guidance regarding the use of technology for data governance / disclosure of non-financial information.

Research group NEPERSC - Center for Studies and Research and Extension in Corporate Social Responsibility (Marguit Neumann - teacher, Monique Moretti Bonadio, Kelli Juliane Favato and Isabelle Caroline Bevilaqua), Universidade Estadual de Maringá-UEM

Undecided.

Richard Chambers, The Institute of Internal Auditors

Yes. Technology will 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. An increase in the role of technology 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 common, and can be embraced through innovations in risk management. The ability for instant communication and the collection of massive amounts of data daily mean the technology must handle everything from 24/7 updates and dashboards for online viewing of timely data to the potential intrusion of social media trolls and the demands of strict data privacy laws. The Framework should emphasize the connectivity of information to communicate how value is created over time, and how outcomes are 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 organization and at 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, an organization doesn't manage operations then manage risk. It must do it all at once.

Richard Dale, Newcastle University

No. This is always the part of IIRC events and communications which leaves me feeling least comfortable. This has to be a principle driven movement, guided by what is an excellent framework (and will be even better with the revisions), but which encourages management and those charged with governance to really think about what they doing and why. Anything which goes overtly down a technology route will become box ticking and denude much of what I see as the real value of integrated reporting and thinking. None - at all - ever! Sorry if that comment is too strong but I feel quite deeply on this one!

Richard Martin, ACCA

Yes. The IIRC in considering this question of technology and reporting 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. We would also note that technology is an enabler across many of the capitals and is not a capital in its own right. We might also distinguish technology (applications, infrastructure etc.) from data in this debate and include both in the discussion. Data has a link to the intellectual capital of an organisation and this needs to be explored more in a more service centric society.

Robbie Campo, Cbus Super Fund

Yes. Cbus supports the exploration of the role of technology in future reporting, particularly if this can relate to the authoritative sources of indicators and methodologies across the capitals referred to in question 12.

Ron Gruijters, Eumedion

No. There indeed are significant benefits if the management report would become more machine readable, as this will allow 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 position paper on this topic (as referred to under question 12).

Ruchi Bhowmik, EY

Yes. EY encourages the digitalization of NFI as a way to rationalize the analyses of data provided by all the stakeholders and avoid the proliferation of different formats. We believe that a harmonized approach on digitization would improve/achieve a level playing field for reporting entities and users regarding the communication of NFI across multiple markets. Specific solutions such as a single electronic format, artificial intelligence, blockchain and cybersecurity measures should be considered priorities.

Sarah Dunn, Institute of Chartered Accountant in England and Wales (ICAEW)

Undecided. We agree that it will be helpful for the IIRC to monitor technological developments and to keep in mind how technology may be able to help organisations communicate with users over time. However, we would caution against focussing too heavily on technological developments as in our view the focus should be ensuring a robust framework and helping organisation produce high quality integrated reports.

Sinem Ozonur, Garanti BBVA

Yes. We believe that the IIRC should position technology as an enabling, empowering tool to enhance reporting procedures and quality. Technology has also a role to play to establish the connectivity of information that is central to the integrated thinking and reporting mindset. For example, recent technological advances enable us to create far greater connectivity of information than ever before, between the traditional report and web-based reporting, and between all information scattered across different sections of the report itself as well. Across the reporting landscape, there is definitely a room for improvement in terms web-based reporting, utilization of AI and interactive reporting, all of which could be encouraged by the IIRC.

Solange Garcia dos Reis, Universidade de São Paulo

Undecided. It is an important aspect, but its prioritisation does not seem essential.

Stefano Zambon, Italian Foundation for Business Reporting (OIBR Foundation)

Yes. The application of XBRL to Integrated Report is certainly a challenge that is not easy to solve, as this type of report is difficult to standardize, except in some commonly applied indicators. Therefore, IR is not also easily comparable, making it challenging a profitable implementation of the XBRL digital language. Consider the extensibility of XBRL to integrated reporting information. Need to foster and collaborate on the part of the IIRC to the training of new digital skills (Technology Network, Training Partners).

Takayuki Sumita, WICI Global

Yes. Some technology can enlarge the possibility for users of integrated reports not to simply or mechanically compare the items or indices which are mandatorily disclosed, but to wisely compare different items, elements and indices which are voluntarily chosen and disclosed. XBRL.

Tim Sheehy, The Chartered Governance Institute

Yes. Ease of access but also comparability can be greatly assisted when technology is introduced into the equation. Conceivably an overuse of technology can lead to a tick-box mentality but an appropriate use can greatly improve take-up and access.

Toni Lutz, Prosus N.V.

Yes. Technology in corporate reporting could be leveraged to enhance analytics of corporate reporting and best practice and can contribute to best practice guidance.

Umair Khan, MCB Bank Limited

Yes.

Usha Ganga, Center for Multiple Value Creation - HAN University of Applied Sciences

No. I believe that technology will follow once a good standardised framework exists. Right now it would hinder innovation.

Valeria Café, Brazilian Institute of Corporate Governance (IBGC)

Yes. Technology and digital transformation have revolutionized the way organizations create value, for themselves and their stakeholders. Although the word "prioritize" may be strong, we understand that much attention should be paid to this dimension, and properly considered into integrated reports. However, we think that technology and digital transformation should not be taken as an end, but as a means to achieve organizational goals. The role of technology and digital transformation and its interrelationships with the various stakeholders in the organization's value chain.

Vania Borgerth, CBARI - Brazilian Network on Integrated Reporting

Yes. In a world where technological knowledge predominates, the use of technology can definitely contribute to the conciseness, access, security and presentation of information. However, it must be ensured that it is not used as a means of disguise to the omission of essential elements.

Veronica Poole, Deloitte

Yes. We repeat the comments we made in our response to the Focused Engagement exercise below, in which we made some assumptions on the role of technology that might inform the IIRC's strategic thinking. In addition, we recommend that the IIRC consider partnering with technology companies and others (e.g., data providers and ratings agencies) to develop thinking and steps forward. 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 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.

Vinicius Benevides, Independent

Yes. Technologies to attend the shareholders, used by them.

Yew Kee Ho, Singapore Institute of Technology

Yes. Absolutely if the outcomes must be justified by evidence, it will need the collection, storage and organization of the information collected into evidence to support the outcomes.

Zhanna Kazakova, Rosneft

Yes, but it's clear for everybody. The same as for any accounting system.

Question 15. Please provide any other comments not already addressed by your responses to Questions 1 – 14.

Alan Willis, Independent

Please give careful consideration to my response to Question 11. We who are familiar with IR and the Framework read para. 1.7 with prior understanding of the fundamental concepts about value creation set forth in sections 2A and 2B. That is not likely to be the case for many first time readers and users of the Framework. Also, in para. 1.8, please consider using a better verb than "benefits" - such as "will be relevant to".

Alban Eysette, SFAF

We view the integrated reporting as an opportunity for us analysts to refocus on our understanding of the fundamental characteristics of the companies (what is their business model? what is their impact on their ecosystem? what is their purpose? who are the pilots ? ...). IR should help us understand what are the competitive advantages of the company, the contribution of ESG to these competitive advantages, how ESG strategy translates into long term financial value, what are the most important non financial indicators linked to value drivers, how are they captured in management incentives, etc...We would appreciate the IR to remain in a dynamic mode with a prospective vision.

Amanda Nuttall, Think Impact Pty Ltd

The framework could better outline the relationship between material topics and the value creation model - how do you incorporate the most material topics into the model, especially when they may evolve over time and may be out of the direct control of the organisation. It would also be useful to further consider a broader outline of the role of stakeholders – particularly as related to engagement and a role in validating value model findings.

Anant Nadkarni, Advisor Value Creation

There are three brief open suggestions from practitioner's view point. 1. The basic name of This process and Framework should replace the word Reporting with the term Value Creation. Reporting was important at a certain time, but now its about Value creation. 2. All management and functional heads must attitudinally shift from Resource management to Value creation, and ask a question: What value did I create last week, month, quarter or year! Future Talent will be Value Creators!! 3. A Chief Value Officer is needed to be in every company. This will integrate value creation from existing splitter groups of CDR, Strategy, Sustain ability, Quality and all others.

Anne Adrain, ICAS

ICAS welcomes the IIRC's revision of the Framework as an important step in its continued development. We are aware that the IIRC's ambition is for the Framework to become the umbrella framework for corporate reporting, therefore the IIRC should consider whether the Framework itself addresses the issue of Sustainability/ESG and the achievement of the UN SDGs. Furthermore, we would encourage the IIRC to support the convergence and comparability of corporate reporting and the creation of global initiatives and standards that will become the building blocks for the convergence and alignment of global metrics, including those related to Sustainability/ESG.

April Mackenzie, External Reporting Board (XRB staff views)

No further comments.

Aruni Rajakarier, SheConsults (Pvt) Ltd.

I believe that the IR Framework must make a better connection between materiality and risk. For example, Banks have sophisticated risk management systems that address Basle requirements but this is not always connected to material issues. Some organisations have two clearly separate systems with two departments handling the subjects and little harmonising of the two. To my mind, this is the heart of Integrated Thinking and IR.

Barry Cooper, Deakin Integrated Reporting Centre

The Framework revision has achieved its goal – being a limited revision to reflect current circumstances and necessary 'touch ups' based upon findings from market practice over the first decade, while preserving the intellectual integrity of the IIRC's original thinking and aims – a conceptual framework and source of guidance which can be applied in practice on a non-mandatory basis. There is a need for the IIRC to, preferably in the announcement of Version 2 of the Framework and other supporting guidance: comprehensively address why directors should not have liability concerns in relation to their integrated reports if adequate due diligence regarding the disclosures made in the integrated report is applied. To quote another Australian example, the Australian Securities and Investments Commission, Australia's corporate regulator, introduced the following statement in paragraph 78 of its 2019 revision of Regulatory Guide 247, "Effective disclosure in an Operating & Financial Review" in response to Australian directors expressing concerns in this area: "In our view, the risk of being found liable for a misleading or deceptive forward-looking statement is minimal, provided: (a) the statements are properly framed in the OFR as, for example, being based on the information available at this time; (b) the statements have a reasonable basis, which involves good governance at board level for signing off on the statements; and (c) there is ongoing compliance with continuous disclosure obligations when events or results overtake forward looking statements in the OFR."; stress that the Framework does not require or encourage 'another report'. The Framework can be used to improve the existing primary corporate report for investors in each country, as illustrated in our answer to Question 2 in relation to the interplay in Australia between the proposed revised paragraph 1.20, Operating and Financial Reviews and ASX Corporate Governance Principles and Recommendations. How version 2 of the Framework is positioned relative to the forthcoming Management Commentary Practice Statement from the International Accounting Standards Board, and the proposed guidance from the International Auditing and Assurance Standards Board on extended external reporting assurance. Specific needs for supporting guidance have been identified in our answers to other questions as follows: The corporate reports portfolio, flagship corporate report, and navigation between and within reports in the portfolio (Question 2); The importance of a clear and fulsome Basis of Preparation. (Questions 2 and 12); The need to signpost non-mandatory repositories for metrics not required by standards recognised by the body providing broad global oversight of the global corporate reporting system. An example could be the intellectual capital metrics recommended by WICI (Question 12); The place of integrated thinking within integrated reporting. Particular attention should be given to how this matter is taught in integrated reporting education courses around the world. Practitioner modules should equip students with the skills required to apply integrated thinking in the integrated reporting context in practice (Question 13); Technology in the context of integrated reporting (Question 14). This guidance will be extremely valuable to the teaching of integrated reporting in the Deakin University Faculty of Business and Law and academia generally. The Deakin Integrated Reporting Centre would be delighted to formally collaborate with the IIRC in relation to such guidance.

Begoña Giner Inchausti, European Accounting Association's Stakeholder Reporting Committee

The IIRC might consider the possibility of adding a few paragraphs (or a cross-reference) to the Framework regarding its application to SMEs and public sector entities (even if the Framework is "principles-based"). The Stakeholder Reporting Committee (SRC) is made up of a group of academics of recognised prestige who have been actively involved in European Accounting Association (EAA) activities and have an extensive experience in research in non-financial reporting. The SRC aims to actively participate in the debate about how organisations can and should inform the wide variety of stakeholders about non-financial activities they perform and their impact on society in general. In addition, since non-financial information is increasingly attracting the interest of policy makers and standard setters, the Committee aims to create awareness of the policy issues on these matters and collaborate with them so that the academic community can have an impact on new policies and standards.

Brad Monterio, Institute of Management Accountants (IMA)

On June 17, 2013, IMA issued a Response to the IIRC Framework Consultation Draft. Since then, policymakers and market participants have brought about observable improvement to corporate reporting with the goal of delivering better information to investors and other stakeholders about sustainable value. As we noted in our own research (see CFO as Value Creator– Finance Function Leadership in the Integrated Enterprise): "While there are challenges to measurement, significant research in recent years by leading financial institutions, consulting firms, and academics has established connections between following sustainable business practices (also referred to as ESG for environmental, social, and governance) and better performance; fewer bankruptcies and the cost of debt; improved top-line growth, lower costs, and fewer regulatory inquiries; market value; liquidity; and expected future cash flows." (citations omitted). Given this evolution, CFOs and members of finance and accounting teams are becoming instrumental collaborators in sustainable business activities. This trend is likely to continue. One point that we raised in 2013 remains particularly salient today: "The ROI and “proof of concept” assessment of integrated reporting should shift more to actual value delivery participants (e.g., business owners, business managers, CFOs, preparers, investors, analysts, etc.) relative to value chain observers and monitors (e.g., academics, consultants and regulators). This will help to develop the required market evidence. "With this key objective in mind, IMA remains impartial with respect to the various organizations, frameworks, and standards regarding integrated reporting or sustainable business reporting. We observe that modern, mainstream financial reporting has evolved through the input of various stakeholders over a century. We expect that over time, integrated reporting will develop similarly toward the delivery of decision-useful information about the availability and use of a broader set of valuable and limited resources. However, we observe that to be sustainable in the marketplace, any framework or set of standards must have the following practical qualities: Unambiguous: readily understood by preparers, auditors, and users; Reconcilable to existing corporate reporting requirements; Subject to implementation with a reasonable budget and dedication of resources. Our responses to this Consultation largely reflect the application of these primary qualities.

Carol Adams, UNDP SDG Impact Team

With some further development along the lines indicated in our responses to other questions, this updated Framework could become an umbrella framework to which other frameworks and standards contribute. The key changes that would be required are: - Define materiality with respect to both value creation and impact on achievement of the SDGs (as in the SDGD Recommendations) and acknowledging the connection between them. This is to some extent implicit, but needs to be more explicit given the tendency of organisations to focus on positives. - Explicit reference to sustainable development risk and opportunities at 4.23 - Defining impact explicitly in terms of impact on achievement of the SDGs (small change in language) - Linking outcomes for the capitals with impact on achievement of the SDGs (small change in language) - Adapting Figure 2 accordingly (as adapted in the The Sustainable Development Goals, integrated thinking and the integrated report - Reference key recommendations, frameworks and standards that can be used to a) provide the information relevant and material to an integrated report b) develop integrated thinking that mainstreams sustainable development considerations - Is mindful of the three fundamental concepts in the SDGD Recommendations that further integrated sustainable development considerations.

Carol McAleenan, AngloGold Ashanti Limited

AngloGold Ashanti is an independent global gold mining company with a diverse, high-quality portfolio of operations, projects and exploration activities across 11 countries on four continents. The Company is headquartered in Johannesburg, South Africa. As at 31 December 2019, measured by production, AngloGold Ashanti was the third largest gold mining company in the world. Our business activities span the full spectrum of the mining value chain and take into account the impact of our activities on the varied and many communities and environments in which we operate. AngloGold Ashanti supports a ‘principle-based’ framework and policies and standards that are aligned to reduce the disclosure burden on the company and still allow for comparability between companies.

Christoph Deiminger, Arbeitskreis Integrated Reporting und Sustainable Management der Schmalenbach-Gesellschaft für Betriebswirtschaft e.V. (Working Group on Integrated Reporting and Sustainable Management of the Schmalenbach-Gesellschaft für Betriebswirtschaft)

We would like to encourage the IIRC to continue promoting the approach of integrated thinking in corporate management world-wide and the consequently applied concept of Integrated Reporting. We hope that it will play a major and moderating role in the current attempts to create an international standard setting body in the field of non-financial reporting in order to incorporate the idea of integrated reporting in this process, as well as in the awaited standard setter and the resulting standards. We think that the IIRC should not become a standard setter nor should it promote particular standards or institutions. The unique and identifying characteristic and role of the IIRC should continue to be the "integration function" regarding the different dimensions of corporate value creation and their consideration in management decisions and in corporate (integrated) reports. In this way, the IIRC can provide guidelines on an integrated approach to (non-financial) reporting and, thus, might be the enabling factor for a potential common international non-financial reporting standard. In front of this perspective, we wish the IIRC a lot of success within the coming next 10 years.

Christopher Joy, Hong Kong Institute of CPAs

No further comments.

Cora Olsen, Novo Nordisk

N/A.

Cornis Van der lugt, University of Stellenbosch Business School

Thank you.

David Hackett, CIMA

It would be a good idea for the IIRC to provide simplified guidance for SMEs. Based on paragraph 1.4 of the IR Framework, the Framework can be applied by companies of any size, however, SMEs are likely to be disengaged by such a detailed framework which would need tailoring to a large extent.

Departamento Contaduría Pública Departamento Contaduría Pública, Universidad Central

Not applicable.

Elizabeth Middleton, Independent

I think the framework needs to be developed for the main preparers and users of it which in general would be accountants. This has been around a very long time and just needs to change as per the integrated reporting framework to include longer term focus, non financial info, business models and so forth.

Fay Hoosain, IRC of SA

We include the following general comments for your consideration: In finalising the revision to the Framework the IIRC should position the Framework as a clear and concise set of simple guidelines. In turn, this can be supplemented by separate FAQs setting out illustrative examples and case studies. It is suggested that further information on the following would be valuable: The gathering, consolidation and assessment of outlook information (we refer you to the IRC of South Africa's **Reporting on Outlook in the Integrated Report: An Information Paper**. Evolving governance frameworks. We reiterate that the 'Value Creation' Glossary term should not be interpreted as a sum of the parts (net), but that the extent to which value is created, preserved or eroded on each capital are to be clearly described and explained in the integrated report. The Framework should emphasise that there is no cookie-cutter or checklist approach to integrated reporting and that each organisation should decide how best to tell its unique value creation, preservation and erosion story. The IIRC could, however, provide examples on how organisations demonstrate that: o they have the resources to implement their strategy over the longer term, or where they will obtain the resources if they were to become resource-constrained; they have adequately assessed the external environment through robust scenario planning exercises and evaluations across teams within the organisation; and their business model is clear and robust, and possibly supplemented with a written explanation if need be. We encourage the IIRC to enhance the assurance-readiness of integrated reports and that it continues to collaborate with relevant organisations on discussing and providing guidance on assurance. Further, additional guidance and FAQs can be considered by the IIRC in related areas such as internal processes and controls.

Gail Boucher, Principles for Responsible Investment

No further comments.

Gianmario Crescentino, ASSIREVI - Association of the Italian Audit Firms

We would like to underline that in our opinion a link to other internationally recognized standards is necessary to (i) allow for a better comparability of information and (ii) perform third-party assurance engagements according to the International Standard on Assurance

Engagements 3000 Revised (ISAE 3000R - Assurance Engagements other than Audits or Reviews of Historical Financial Information) – which can only be carried out if recognized standards qualified as suitable criteria are present. Please also see our answer under Q.12.

Graham Terry, Independent

To begin with there were no questions dealing with assurance although the issue is discussed in the documentation. I think the IIRC does need to become more involved in assurance surrounding integrated reports. Whilst external assurance is something that the appropriate standard setters and regulators need to grapple with, assurance is bigger that that. I am not sure how this can or should be done, but I do believe that that the IIRC should engage with the relevant standard setters to move the project along. In addition, I think it would be useful for the IIRC to engage with governance organisations and internal auditors to understand how other forms of assurance could be enhanced. I think it may be time to embark on a more detailed revision of the Integrated Reporting Framework and its supporting guidance such as FAQs. A lot has happened since 2013. I believe that organisations around the world have helped to improve the understanding of issues such as governance, outlook etc. which could be embodied in a revised framework. I think the structure and language could be improved to make the Framework more understandable and useful. Following on from my comments under question 13, I think the Framework could be divided into two parts, one dealing with reporting and one with integrated thinking. Those issues related to integrated thinking currently contained in the Framework could be included in the integrated thinking section.

Graham Terry, The South African Institute of Chartered Accountants - Cape Town Discussion Group

Whilst the requirements for external assurance are best left to the appropriate standard-setters and regulators, some of the assurance is provided internally and it is felt that these aspects could be enhanced in the Framework. It was also suggested that external assurance provided on the integrated report could assist external auditors in drawing conclusions about the annual financial statements.

Hendrik Rosenthal, CLP Holdings Limited

The IIRC may consider providing more than one level of ‘in accordance with the Framework’ or establishing an approach called ‘with reference to the Framework’ for the report preparers which meet core, but not all, requirements in order to help promote the adoption of the Framework and its principles. Possibilities may include creating a set of 'core' requirements with optional extras.

Henry Daubeney, PwC

Now is the time for the IIRC to really consider its role in the simplification of the reporting landscape and to consider what aspects of the framework lend themselves strongly to current trends and prompt key alliances. There is much in the existing framework that provides the building blocks for the future of corporate reporting but there also remain a number of barriers to full adoption which have not come down since the inception of the framework ten years ago. In the short term this may require a focus on separate capitals as building blocks for full adoption of the framework in the medium to long term.

Ian Kramer, CFO Forum

The CFO Forum (“The Forum”) of South Africa is a high-level discussion group formed and attended by the Chief Financial Officers of major Johannesburg Stock Exchange (‘JSE’) listed and larger state-owned companies with broad sectoral coverage ranging from financial services, mining, retail, media, telecommunications, medical services, agriculture and paper & packaging. Its aim is to contribute positively to the development of South Africa's policy and practice on financial matters that affect business, for example in the areas of: government regulatory issues and initiatives, taxation, financial reporting, corporate law and governance, capital market regulation and stakeholder communications for enterprises on behalf of its members, who represent a significant part of South African business. The Forum was created in 2011.The CFO Forum encourages a ‘principle-based’ framework and encourages policies, standards and frameworks that are aligned to reduce the disclosure burden on organisations and allow for comparability between organisations.

Inés García Fronti, Buenos Aires University

Emphasize stakeholder mapping and its inclusion in the entire value creation process, since it is observed that between sustainability reports and integrated reports, quality in the mapping of stakeholders and their consideration has been lost in many cases.

Innocent Okwuosa, Nigerian Integrated Reporting Committee

We caution against what looks like a deviation from a focus on providing information for providers of financial capital to information for providers of all capital and society. As earlier stated, aiming to provide information for all amounts to aiming to provide information for no one.

Irina Paschke, Kirchhoff Consult AG, Hamburg

Reporters struggle with complex issues and are looking for deeper practical implementation guidance. From a consultant's perspective, the Framework therefore could be more practice oriented. In addition, the internal distribution of the costs of the report can be a hurdle in the willingness of various units to work together. Maybe the IIRC could address this topic somehow.

J Robert Gibson, Hong Kong University of Science and Technology

The extent of adoption of in the last five years has been disappointing. My view is that, if anything, it has declined other than where a version of it is required by regulators. The is a great pity as its objectives and approach are excellent. To be more successful the IIRC must: 1) Work with GRI and SASB to provide a self-consistent set of reporting guidelines with (a) a common glossary/taxonomy; (b) common principles; and,(c) online tools which make it easy to produce a quality which uses Topics per GRI or SASB. The Corporate Reporting Dialogue was making progress on this but nothing has been heard since its Sept 2019 report. 2) NB: The lack of a broadly agreed international standard is given by some people in Hong Kong for not adopting higher standards than the Hong Kong Stock Exchanges' EGS Guidelines. 3) Provide a 'staircase' which reporters can climb to get from basic statutory reporting to a full. This includes: 1. Explicitly recognising the value of GRI, SASB etc. as providing (a) Management Approach including Materiality Assessment; (b) Data definitions for Topics. 2. Providing several levels of 'In Accordance with the Framework'. Perhaps there can be a simpler 'core' requirement with optional extras. 'Outcomes' should be encouraged as one of the optional extras rather than being part of the 'core' requirement. 4) Work with rating agencies such as MSCI and reporting portals such as Bloomberg for the publication of assessments extent to reports are in accordance with. This might take the form of a 'scoresheet' to distinguish where a report is good and where it falls down. Most reports, for example fail to be concise. Other points: A) Link Balance more closely to Materiality. Reporters should identify their most material outputs and report the impact of these outputs on the value of the capitals. B) For Social and Natural Capitals i is often difficult to quantify the change in value but the report should indicate whether value is increased or decreased and the indicators the reporter considers when determining this.

Jake Atkinson, Climate Disclosure Standards Board

It is important to consider the relationship between integrated reporting and the mainstream reporting as well as the connections of the Framework to other reporting frameworks and standards, e.g., IFRS Management Commentary, CDSB Framework, SASB Standards and TCFD Recommendations. Along with the importance of how these relate to the harmonisation of the global reporting landscape.

Jayantha Nagendran, Smart Media (Pvt) Limited

NIL.

John Purcell, CPA Australia

Nil at this point.

Jona Basha, Accountancy Europe

We suggest the IIRC considers providing simplified guidance for SMEs. Based on paragraph 1.4 of the Framework, the Framework can be applied by companies of any size, however, these guidelines may be burdensome to many SMEs. In a general note, we welcome the IIRC's support towards a unified global system. We consider the Framework (in addition to the International Accounting Standards Board's Management Commentary) as an integral part towards the conceptual framework for connected reporting as advocated for in our paper Interconnected Standard Setting. The conceptual framework for connected reporting would connect the conceptual framework for financial reporting with the conceptual framework for non-financial reporting and would serve as the backbone for connecting the global financial standards and global non-financial standards. Therefore, we suggest the IIRC to clearly position itself as part of the corporate reporting foundation by providing a basis for the conceptual framework for connected reporting. Finally, Accountancy Europe **supports** the International Auditing and Assurance Standards Board's (IAASB) proposed guidance on Extended External Reporting (EER) Assurance. Therefore, we suggest the IIRC to consider the potential for assurance in revising the Framework.

Jose Luis Lizcano Alvarez, Spanish Association of Accounting and Business Administration (AECA)

It would be helpful if the Consultation Draft also showed the text parts that have been removed. For example, crossing out the corresponding block of text removed (you can see, e.g., the paragraph 1.20).

Joshua Rayan, Joshua Rayan Communications

The IIRC should work closer with report writers and not just large scale consultants and management organisations. We are closer to the reporting issues as we deal with them on a daily basis and from the Board to working levels. We understand the actual difficulties companies face in cultivating integrated thinking and preparing integrated reports. Thank you.

Karen Koch, Eskom Holdings SOC Ltd

Well done - the proposed tweaks to the Framework provide clarity, but it doesn't move away from the core of the Framework.

Kevin Dancey, International Federation of Accountants (IFAC)

IFAC welcomes the IIRC's revision of the Framework, which should be an important step in its continued development. IFAC is broadly supportive of strengthening the statement of responsibility for an integrated report, emphasizing the importance of the role of those charged with governance, clarifying terms within the business model, and addressing the need for more balanced reporting of positive and negative outcomes. IFAC believes non-financial and financial information needs to be connected through a framework that captures relevant aspects of value creation and sustainable development. The Framework is the starting point for such a conceptual framework given it is the only comprehensive reporting framework. However, neither the proposed revisions nor the questions posed in the section of the Consultation Draft on Charting a Path Forward address the fundamental issue of how the Framework needs to further evolve to be considered an all-encompassing connected conceptual framework for reporting. IFAC believes this should be the priority focus for the IIRC and its strategic partners. For the Framework to be more widely recognized as a connected umbrella conceptual framework for reporting, it must: - Provide the foundation for understanding and reporting on multi-faceted value drivers based on financial and non-financial information – and demonstrating the connections between them. - Provide the principles and key concepts around "how to report" with respect to scope, content and presentation. This is the foundation for "what to report" provided by other standards. - Support the convergence and comparability of reporting through incorporation of significant initiatives and standards that are the building blocks to converging and aligning metrics, including those related to sustainability/ESG. - Enable assurance, which is critical to confidence in all corporate reporting and most effective when applied against metrics and narrative disclosures that are supported by clear best practices or reporting standards. Achieving this will require a pragmatic approach. With that in mind, IFAC believes: - In order to promote long-term relevance of the Framework and continued expansion of its use, it is vital that integrated reporting be positioned as an immediate solution to current market demands for consistent, reliable information that enables rigorous measurement and reporting of factors material to value creation and sustainable development. There is a level of political and social momentum around ESG—and particularly, climate—reporting that are fundamental elements of long-term value creation. The IIRC may need to consider how the Framework itself addresses ESG and climate reporting and whether it needs to be more explicitly referenced in section 2B. Otherwise, there is the risk that will be lost in the push towards incorporating non-financial reporting into the sustainability agenda. The Framework consultation is also an opportunity to ensure integrated reporting and the TCFD recommendations are aligned in terms of concepts and principles. - The primary users of an integrated report must remain the providers of financial capital, which will help ensure (a) concise and focused reporting on value creation, (b) the alignment of the Framework with the IASB's Management Commentary Practice Statement, and (c) the assurance of integrated reporting. Corporate reporting should concisely capture all relevant information about organizations required by investors and capital markets to make decisions on allocating their capital. Importantly, the Framework needs to be seen to incorporate all aspects of value creation representing factors that materially affect future cash flows and therefore market and intrinsic value (a forward-looking measure of the worth of a business based on a company's strategies and its ability to execute them. As outlined in **The CFO and Finance Function Role in Value Creation**. Relevant aspects of wider financial reporting that relate to value creation are also captured through the management commentary project - a part of the IASB's work program. In conjunction with revisions to the Framework, these efforts might be escalated to enhance how this information is reported in management reports such as the Management Discussion and Analysis. The connection between the financial statements and the management report is important and there should be greater focus on integrating accounting and financial information with more forward-looking information in management reporting. The management commentary should provide another important input into the development of a connected conceptual framework. – The Framework must incorporate corporate impacts on society and the environment. IFAC is supportive at this stage of the approach taken by the IIRC to keep reference to impacts simple in the proposed revisions. However, it will be important in any future revision that the Framework more clearly incorporates 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, with a view that these broader impacts can ultimately have material financial impacts. Confusion between outcomes and impacts will need to be addressed. The proposed revisions to the Framework imply that outcomes and impacts are one and the same, however there is not currently a consensus view that outcomes and impacts are synonymous. Bridging value creation and impacts can be an important step for companies in their efforts to optimize value creation and manage trade-offs between the interests of various stakeholders and the short and long-term consequences of any decision. Value creation and ESG metrics typically track the entity's gains and losses at the expense of broader organizational impacts. Clear reference to impacts also allows the Framework to be relevant over time in relation to, and beyond, the 2030 agenda for sustainable development. - The Framework may need to be re-branded as a Framework for Understanding and Reporting on Value Creation. This would position it more clearly as being about integrated thinking and reporting and may also help to deal with the challenge that in many countries, the adoption of integrated reporting is through existing regulatory requirements for management reporting.

Leda Romero, Kellun

Maybe every company should display an explanation of what they understand for every capital.

Lisa Martin, Sustainz Business Solutions Limited

Implications for the range of supporting guides (will the intention be to update these accordingly?). Suggest need global search of 'create value' adding 'preserve or erode' throughout Framework to ensure consistency. Ultimately, aim is to create value, but acknowledgement that may preserve or erode also, so suggest work through each reference, and consider context. Given the rise of ESG, and relevance of IR and integrated thinking as a key tool, suggest include reference to the concept of Environmental, social and governance (ESG): Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. These criteria help to better determine the future financial performance of companies (return and risk). Page 2, column 2, first paragraph, amendment reads: "Integrated reporting is part of an evolving corporate reporting system. This system is enabled by comprehensive frameworks and standards, addressing measurement and disclosure in relation to all capitals, appropriate regulation and effective assurance." Suggest could amend to: "Integrated reporting is part of an evolving corporate reporting system. This system is enabled by comprehensive frameworks and standards, addressing measurement and disclosure in relation to all capitals, supported by appropriate regulation and effective assurance." Page 13, under '2D Value Creation Process', second paragraph, second sentence, need to add 'Purpose' to mission and vision (underlined text, consistent with Figure 2). Page 22, under 3.45, third sentence, Reporting and reported used twice in same sentence, opportunity to amend: "Reporting against previously documented (to replace reported) targets, forecasts, projections and expectations". Page 24, first column, under 4. "I General reporting guidance" is inconsistent with index, where "General reporting guidance" is now a separate section from A-H. Page 24, second column, first paragraph, need to add "Purpose" to "mission and vision".

Loshni Naidoo, SAICA

A member suggests that the Framework needs a major overhaul: "The world has changed since 2013. This does not mean the principles change, but the narrative around these principles needs to change and be made simpler to understand. We have learned a lot over the past ten years and this needs to be embedded in the framework. Content such as the external environment, governance, business model and outlook need to be revised. Also, information about the availability and quality of capitals needs to be better described and presented." These are just a few examples that were suggested.

Lydia Tsen, Chartered Accountants Australia and New Zealand

CA ANZ welcomes the IIRC's revision of the Framework and is broadly supportive of the proposed revisions. To ensure that the Framework is more widely recognized as a connected umbrella conceptual framework for reporting, CA ANZ considers that it should provide a foundation for understanding the connection between financial and non-financial information, as well as guidance for how to report this information in a way that best communicates value over multiple reporting periods. The Framework should be positioned as an overarching roadmap that integrates and coordinates the different reporting and communication activities undertaken by an organisation. In positioning the Framework, we also recommend the IIRC acknowledge the influence of and relationship between providers of financial capital (i.e., primary users) and secondary audiences and users. Doing this is particularly important as it helps to position the Framework as an overarching body of rules around how best to communicate value to stakeholders. Acknowledging secondary users and audiences recognises the jurisdictional specific regulatory reporting frameworks, and helps to position the Framework as a body of rules that can be used with respect to any type of user, despite its primary focus on providers of financial capital. In addition to this, recognising the connection between the Framework and the role played by secondary parties and jurisdictional specific regulatory reporting frameworks prevents organisations from concluding their operations fall outside of the scope of the Framework on the basis of the types of capital they interact with. We also consider that the Framework should address and encourage assurance over this information. We suggest the IIRC refer to the ten key challenges identified by the International Auditing and Assurance Standards Board (IAASB) as these challenges directly 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.

Mark Babington, Financial Reporting Council

The IIRC has been successful in promoting the concept of integrated reporting and improving narrative reporting globally. We believe that there is an opportunity for the IIRC to consider its future role and where the IR Framework fits given international developments. The International Accounting Standards Board has a project underway on Management Commentary which incorporates some of the ideas from the IR Framework. This in time will become the international standard for narrative reporting. We are also seeing moves towards the development of a standard setter for non-financial reporting, therefore the IIRC, given its experience, should consider how best it can influence these developments and differentiate itself in an environment where there is a move towards consolidation of frameworks.

Mark Hucklesby, Grant Thornton International Limited

We believe that regular reviews of conceptual Frameworks are essential to ensure they remain relevant and appropriate for the preparers of business reports.

Principles-based Frameworks will always require additional supporting material to highlight what is considered to be best practice. Just as the IIRC has done over the last decade, we encourage it to continue to invest in and encourage the development of technical reference databases so that preparers, in particular those who are drafting an integrated report for the first time, can readily access a trustworthy resource that comprehensively illustrates what others in similar industries have done. Looking to the future our view is collaboration with mainstream financial, non-financial and assurance focused standard setters will be essential if the IIRC is to fulfill its mission which is to establish integrated reporting and thinking within mainstream business practice as the norm in the public and private (and also, in our view, the not-for-profit) sectors.

Martin Fryer, Mercury NZ Limited

No additional feedback.

Milan van Wyk, University of Johannesburg

In our opinion, the IR Framework is in need of significant updates in order to remain relevant in the modern business environment. So much has happened since the initial framework was introduced in 2013 and the effects on stakeholders have been fundamental. An updated Framework needs to factor in the changes over the past seven years if it is to achieve its objectives. Particular areas for improvement include: - Determination of materiality; - Balance (particularly changes to combat the exclusion of negative disclosures from reports); - Changes to facilitate the comparability of information across entities.

Mosireletsi M Mogotlhwane, Botswana Institute of Chartered Accountants

None.

Naveed Abdul Hameed, FCA, The Institute of Chartered Accountants of Pakistan

My comment is related to the Guiding Principle of Consistency and Comparability Year on year consistency can be easily achieved by many organizations. However, I think that the reports produced in accordance with the framework mostly and generally lack the feature of comparability. Even, the reports of two companies of the same size, industry, and markets are difficult to compare with each other. In my opinion, the absence of a standard structure and format is the basic hindrance towards achieving comparability. While appreciating that is a principle-based framework I think that we still need to address this challenge. There is no limit to the lengths of narrative qualitative descriptions and companies are producing lengthy reports compromising not only the Guiding Principle of comparability but also the principle of Conciseness. Is this matter already under consideration and if not I would suggest that the upcoming revision address this challenge.

Nick Ridehalgh, Australian Business Reporting Leaders Forum

Communication of the enhanced Framework should be positioned as only minor changes to support further adoption and provide clarity in a few areas. It will be important to explain how the enhanced Framework both aligns and works with the soon-to-be-released Management Commentary Practice Statement from the International Accounting Standards Board, and the proposed guidance from the International Auditing and Assurance Standards Board on extended external reporting assurance.

Nowmitta Jahanzaib, ICMAP

Yes, when can we expect for the launch of final revision after 90 days of consultation draft feedback. We are eagerly waiting for it.

Nur Syaida Wan Muhammad Maznin, Malaysian Institute of Certified Public Accountants

No other comments.

Nurmazilah Dato' Mahzan, Malaysian Institute of Accountants

Echoing the calls for consolidation or streamlining reporting requirements of various frameworks, standards and requirements, the framework could consider providing further guidance or illustrative examples on how reporters could develop a reporting suite/structure which promotes conciseness. The IIRC needs to continue to advocate as the new corporate reporting norm which would replace the current annual reporting content/disclosures both in form and substance.

Omair Jamal, Independent

No comment.

Patrick Kabuya, Africa Integrated Reporting Council

As mentioned in the cover letter, African countries are still at nascent stage of implementing integrated thinking and reporting. Therefore, we highly recommend that IIRC prepares and provide illustrative examples to ease understanding and avoid ambiguity in application of the concepts and principles in the Framework. These examples should be issued separately to avoid issuing an overly long Framework.

Paul Hurks, NBA

For charting the path forward the IIRC may consider its role in the existing initiatives more openly, such as IASB Management Commentary or IASB second tier for NFI, Accountancy Europe Coe & More and EFRAG.

Penny Gerber, Pick n Pay Stores Limited

We absolutely support any changes to the Framework that will improve the clarity, transparency and credibility of balanced integrated reporting. However, we note that external reporting is becoming increasingly onerous for preparers and increasingly complex for users. External reporting requires ever more investment in resources in order for organisations to report in a timely manner. Before any additional reporting burdens are placed on preparers, it must be clear that the requirements add real value to users. Finally - debt and equity funders are our primary users of financial statements and integrated reports - their needs must at all times be considered before those of other stakeholders.

Research group NEPERSC - Center for Studies and Research and Extension in Corporate Social Responsibility (Marguit Neumann - teacher, Monique Moretti Bonadio, Kelli Juliane Favato and Isabelle Caroline Bevilaqua), Universidade Estadual de Maringá-UEM

It should be noted that questions 6-9 (business model considerations) are focused on the effects of capital and not on the creation of value as a whole, and may induce users of the Framework to an incomplete understanding and disclosure of the process of creating value, which occurs in the entire business model and not just in the effects. The IR will introduce innovations mainly in the way information is presented. The sense-making approach used in one of the surveys made it possible to understand a number of important aspects related to the adoption of IR. Firstly, what it represents for those dedicated to the production of IR information, taking into account that IR represents the beginning of a cultural change within the institution that leads the actor to think in a multisectoral way. Second, the importance of its expansion for those who use it as an information tool for decision making and to understand what has changed within the institution.

Richard Chambers, The Institute of Internal Auditors

The IIA recognizes the valuable role the Framework plays as organizations operationalize sustainability and business risks related to ESG issues, and the practical guidance it provides for governing bodies and management. To that end, The IIA encourages the IIRC to position the Framework more strongly as a tool for internal audiences, especially the governing body. The tool is a way not just to publish an external report, but also – and more importantly – to build a comprehensive, long-term, and integrated picture of the organization, its performance, its prospects, its impacts on and by the external environment, and how all of this supports or frustrates strategic goals. An internal integrated report would provide the governing body the overarching and objective view it needs to exercise effective oversight, an essential step prior to any thoughts of external disclosures. Such an internal integrated report would require an organization to evolve its mindset and practices consistent with "integrated thinking." Many sources of information need to be drawn together, requiring independent and objective assurance to ensure credibility that can be most usefully provided by internal audit. Internal audit's authoritative knowledge of the organization, together with its independence from management and from the responsibilities of management, allow it to provide confidence and to create a more complete and integrated picture. The internal audit positioning, mindset, and approach are very much in tune with "integrated thinking.".

Richard Dale, Newcastle University

Overall, I think the revision is well crafted and will be well received. Paragraph 1.17 does need a rethink if it is to land well with public sector and third sector organisations.

Richard Martin, ACCA

The IIRC need to consider whether the Framework needs to evolve further to meet what seems to us to be its key emerging role. That is as a framework to be used by regulators or companies for better narrative corporate reports covering financial and a range of non-financial information, to be supported by both financial reporting standards such as IFRS and by non-financial reporting standards providing more specific guidance. This is very much in line with the model put forward in Accountancy Europe's cogito paper on interconnected standard setting. It would be desirable if the Framework could achieve the greatest consistency with the IASB's Conceptual Framework covering financial reporting and with the revised Management Commentary. It would also help with adoption in some jurisdictions if the IIRC continued to assess and compare the Framework with national frameworks and legal requirements covering wider corporate reporting. In the same vein evolution is also important to allow more assurance to be provided. In principle very different levels of assurance as between the financial statements and an integrated report are not appropriate. So independent assurance of the integrated report should become the norm for larger companies. To assist this the IIRC should require a statement of responsibility and compliance as noted in answer to Q1 above. Also the disclosures required by the Framework may need to be extended to facilitate assurance, and IIRC should therefore monitor the developments of the guidance being developed by the IAASB and reflect appropriately in the Framework. 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, measurements and targets for those measurements covering the different capitals. As a starting point the different capitals need to be explicitly referred to Sections 4D on risks and in Section 4E on strategy in the same way as they are in 4C on the business model and in 4F on performance. As organisations reflect more on purpose, the measurement of purpose poses interesting challenges.

Robbie Campo, Cbus Super Fund

No additional comments.

Ron Gruijters, Eumedion

No further comments.

Ruchi Bhowmik, EY

The importance of external assurance should be more explicitly stated in the Reliability chapter. EY believes NFI should be subject to the same assurance rigor as audit requirements for financial information. NFI is increasingly relevant for the investment decisions of investors, lenders and other stakeholders. Therefore, the assurance on NFI should be subject to equivalent high standards as financial statement audits, in terms of competency, high ethical standards (including independence), quality and external supervision.

Sarah Dunn, Institute of Chartered Accountant in England and Wales (ICAEW)

We strongly encourage all efforts to move towards the establishment of a single principles-based and internationally recognised global framework providing comparability and consistency for non-financial reporting. We believe this could see the IFRS Foundation restructured to create an International Non-Financial Reporting Standards Board, parallel to the IASB. The longer-term goal, however, should be the establishment of a global corporate reporting structure, encompassing both financial and non-financial reporting. Current moves to consolidate existing standards, guidelines and frameworks need to be accelerated and made more open and transparent. We call on the IIRC to also strengthen engagement with other international stakeholders on this matter, in particular the IFRS Foundation. In recognition of the particular momentum in the EU, we have set out our thinking on the need for a bridged European and international approach to standard setting in a recent paper Non-financial reporting: ensuring a sustainable global recovery. We also take this opportunity to consider the ongoing and important debate regarding the assurance of non-financial information. In our view, one of the major challenges to providing assurance on non-financial information is the strength of an organisation's control systems and governance structures that support the process of producing the information. A common refrain heard in ICAEWs engagement with assurance providers is that they are often unable to accept assurance engagements of non-financial information when the organisation's control system is not mature enough, as it leaves them unable to rely on the system as part of the engagement. In order for assurance of non-financial information to become more commonplace, it will be necessary to up-skill boards and audit committee chairs, strengthen the control systems and reporting processes. These are not quick fixes and will take a concerted effort to move forward. It may be that the IIRC can play an important role in this debate, for example, by considering whether information reported under the Framework is assurance 'ready' and, if not, to examine the reasons why and how this might be addressed.

Sinem Ozonur, Garanti BBVA

None.

Solange Garcia dos Reis, Universidade de São Paulo

There is also a relevant challenge related to the assurance of non-financial reporting.

Stefano Zambon, Italian Foundation for Business Reporting (OIBR Foundation)

Even if the Framework is "principles-based", consider adding a few paragraphs (or a cross-reference) to the Framework regarding its application to SMEs and public sector entities, which is expanding in some countries such as Italy. Comparability amongst integrated reports of different entities conflicts to some extent with the materiality principle, which stresses instead the specificities of each organisation. In particular, concerning comparability, the IIRC Framework clearly expresses the idea in 3.56 and 3.57. These paragraphs need to be stressed again. Material elements for a company's unique value creation mechanism are different from those of another company. To identify them by its own choice is the most important clue for users to compare companies in a substantive manner.

Takayuki Sumita, WICI Global

1) Please note that WICI has claimed the ground for Intellectual Capital for many years. As such we offer to work with the IIRC to develop the much needed Intellectual Capital aspect of the Framework. 2) Concerning comparability, the IIRC framework clearly express the idea in 3.56 and 3.57. These paragraphs need to be stressed again. Material elements for a company's unique value creation mechanism is different from another company's one. To identify them by its own choice is the most important clue for users to compare companies in a substantive manner. In this process, the notion of materiality matters. In the European continent, 'double materiality' is now often mentioned. This idea is quite dangerous because this may split financial elements from social ones against the IIRC's innovative approach to integrate those elements in a company's business model and activities. In such a sense, WICI is afraid that European approach will not lead to the right direction. Materiality for a company is not dual one but single one to identify material elements for its unique value creation mechanism. Needless to say among material elements for a company there are some which relate to financial results and others which are closely linked to social outcomes. The IIRC needs to maintain and strongly insist on the original position on this issue, which WICI will fully support.

Toni Lutz, Prosus N.V.

Must address other sectors other than traditional sectors and must include online/ internet businesses when providing additional guidance.

Umair Khan, MCB Bank Limited

Assurance matters.

Usha Ganga, Center for Multiple Value Creation - HAN University of Applied Sciences

Thank you for your work in bringing integrated reporting forward.

Valeria Café, Brazilian Institute of Corporate Governance (IBGC)

It's always relevant to say the organization does not have to produce other reports only to address the IR framework. The adoption of the framework can be demonstrated in the annual report. The annual report, which is the responsibility of the administration, should be the most comprehensive form of providing information to stakeholders. It should not preclude other occasional communications that ensure timeliness and regular frequency of information. It must provide duly audited financial, and externally assured non-financial information.

Vania Borgerth, CBARI - Brazilian Network on Integrated Reporting

Technology and process go together: fundamental for integration, creation of different interfaces, possibility of immediate message transmission, facilitates communication Relate the need for positive and negative outcomes (generation / destruction of value) with the concept of Accountability Reinforce the concept of integration and how integrated thinking occurs Flexibility: the extent to which the report published by the institution is in accordance with the framework (due to the different stages of maturity ... The company must take ownership of the entire process or its chain in achieving the objectives. The company needs to position itself in the face of its difficulties and to emphasize the management areas in a harmonious way. Reinforce the definition of Impact not only from a positive point of view, but also from any negative effects, giving greater informational symmetry. Mention the alignment between public and private (internal and external governance). Clarify and differentiate the outcome outputs with the insertion of practical cases (ie. Petrobrás and BNDES), considering the possible insertions according to certain sectors. The practical cases can be inserted in Appendices (they can be renewed without the need to change the framework again). Big challenge: how accounting can check the process, how to audit non-financial information (lack of metrics) To seek to clarify the difference in skill (or value) that would be ideal to be present in organizations and the way in which the application of integrated thinking in practice, in the processes / systems / procedures developed by the organization and for the preparation of the report could be perceived; About impacts and outcomes: exemplify: strategies that result in the increase of inequalities such as breakdown of small suppliers, reduction in maintenance budgets, increase in occupational diseases due to psychological disorders etc. Define outcomes to be monitored by everyone: increase in environmental (emissions, deforestation, biodiversity, etc.) and social (growth in inequality, increase in migratory flows, underemployment, violence, etc.). Use WEF Risks Report and SDGs. IIRC should take a stronger position in connection to Disclosure of environmental and social impacts.

Veronica Poole, Deloitte

We have other comments in two areas: assurance and harmonisation. We note the absence of a question in this consultation on assurance. The Focused Engagement exercise suggests that nearly half of respondents disagreed with question 4 of paper 3. While it was acknowledged that developing assurance standards is beyond the IIRC's remit, a significant number of respondents said that the IIRC can play a role. As we said in our response to the Focused Engagement exercise, we believe the IIRC should play an important role in enhancing the 'assurance readiness' of the <IR> Framework, for example, to help ensure that appropriate criteria can be determined for the purposes of assurance. The role of assurance in corporate reporting is growing (for example, it is included in the EC's NFRD consultation and is reflected in the IAASB's project on extended external reporting). We encourage the IIRC to engage with the other parts of the system (assurance standard setters, governance and controls, preparers and practitioners, and regulators) to ensure that the elements support each other effectively. We continue to believe assurance is an important topic for the IIRC and recommend that it is prioritised. On harmonisation, we note that many respondents to the Focused Engagement exercise gave feedback on the need to harmonise corporate reporting frameworks. In that regard, we continue to believe that the IIRC should play a prominent role in driving a system solution towards global standards, with integrated reporting developed as a conceptual framework for connected corporate reporting.

Yew Kee Ho, Singapore Institute of Technology

Would the Framework include a section for entities to report on Climate Change impact? This is the elephant in the room, and it would be good to know how entities are preparing for this as part of reporting.