

An Integrated Report

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

The International <IR> Framework

The purpose of the International <IR> Framework (the <IR> Framework) is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them. The <IR> Framework:

- Identifies information to be included in an integrated report to assess the organization's ability to create value
- Is written primarily in the context of private sector, for-profit companies of any size but it can also be applied, adapted as necessary, by public sector and not-for-profit organizations
- Takes a principles-based approach and includes a small number of requirements that are to be applied before an integrated report can be said to be in accordance with the <IR> Framework.

This Practice Aid has been developed to remind report preparers and others of those requirements.

Using the <IR> Framework

Form of report and relationship with other information

1.12 An integrated report should be a designated, identifiable communication.

Application of the <IR> Framework

1.17 Any communication claiming to be an integrated report and referencing the <IR> Framework should apply all the requirements identified in bold italic type unless:

- The unavailability of reliable information or specific legal prohibitions results in an inability to disclose material information
- Disclosure of material information would cause significant competitive harm.

1.18 In the case of the unavailability of reliable information or specific legal prohibitions, an integrated report should:

- Indicate the nature of the information that has been omitted
- Explain the reason why it has been omitted
- In the case of the unavailability of data, identify the steps being taken to obtain the information and the expected time frame for doing so.

Responsibility for an integrated report

1.20 An integrated report should include a statement from those charged with governance that includes:

- An acknowledgement of their responsibility to ensure the integrity of the integrated report
- An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report
- Their opinion or conclusion about whether the integrated report is presented in accordance with the <IR> Framework.

or, if it does not include such a statement, it should explain:

- What role those charged with governance played in its preparation and presentation
- What steps are being taken to include such a statement in future reports
- The time frame for doing so, which should be no later than the organization's third integrated report that references the <IR> Framework.

Guiding Principles

Strategic focus and future orientation

3.3 An integrated report should provide insight into the organization's strategy, and how that relates to its ability to create value in the short, medium and long term and to its use of and effects on the capitals.

Connectivity of information

3.6 An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.

Stakeholder relationships

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

Materiality

3.17 An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term.

Conciseness

3.36 An integrated report should be concise.

Reliability and completeness

3.39 An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.

Consistency and comparability

3.54 The information in an integrated report should be presented:

- On a basis that is consistent over time
- In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.

Content Elements

Organizational overview and external environment

4.4 An integrated report should answer the question: What does the organization do and what are the circumstances under which it operates?

Governance

4.8 An integrated report should answer the question: How does the organization's governance structure support its ability to create value in the short, medium and long term?

Business model

4.10 An integrated report should answer the question: What is the organization's business model?

Risks and opportunities

4.23 An integrated report should answer the question: What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?

Strategy and resource allocation

4.27 An integrated report should answer the question: Where does the organization want to go and how does it intend to get there?

Performance

4.30 An integrated report should answer the question: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?

Outlook

4.34 An integrated report should answer the question: What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?

Basis of preparation and presentation

4.40 An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?