

2020 revision of the International <IR> Framework

Analysis of Consultation Draft feedback

Questions 11 - 15

VOLUME 2

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The revision of the International <IR> Framework, the first since its launch in December 2013, has taken place in a year like no other. The IIRC's commitment to the continued relevance of the <IR> Framework and its connection to developments in corporate reporting and the broader business world drove its 2019 decision to refresh the <IR> Framework, yet no one could have foreseen the way 2020 would play out.

As the COVID-19 pandemic took hold around the world, the <IR> Framework Panel stood firm in its commitment to deliver an updated version of the <IR> Framework by the end of the year. If anything, the importance of integrated thinking has been further underlined by the global pandemic. Urgent action is still needed to better understand the dynamics of how value is created, preserved or eroded and how capital allocation and corporate behavior can align to the wider goals of financial stability and sustainable development.

Over the last seven years, the IIRC has learned a great deal from the application of the <IR> Framework by around 2,500 businesses in over 70 countries. In 2017, the IIRC invited users and preparers of integrated reports to **share their views** on the International <IR> Framework. Extensive market consultation pointed to the <IR> Framework's continued robustness as a tool that has stood the test of time - the conceptual thinking and principles on which the <IR> Framework were founded are still as relevant as when the IIRC formed in 2010.

Today, there is a strong and increasing momentum for integrated reporting and integrated thinking to become the norm in mainstream business practice, but those who implement the <IR> Framework, such as participants in the <IR> Business Network participants, and others in the corporate reporting system have been clear about where they believe minor modifications and clarifications could further enhance the effectiveness of the <IR> Framework.

In response to market feedback, the IIRC recognized that a wholesale revision of the <IR> Framework was unnecessary; instead, a light-touch revision was appropriate, one that emphasized corrections detected since the <IR> Framework's 2013 release and clarifications of key concepts over core changes. The revision also offered an opportunity for the IIRC to consider further refinements of the <IR> Framework that may be needed in due course, as well as to seek market views on issues of a more strategic nature for the IIRC, that lay beyond the scope of the 2020 <IR> Framework revision.

Feedback from a 30-day focused engagement was used to develop 15 questions included in a Consultation Draft that was exposed for public comment for 90 days. Formal consultation responses were supplemented by feedback from 25 virtual roundtables, providing the <IR> Framework Panel with views from 1,470 participants across 55 different jurisdictions.

Questions 1 – 10 of the Consultation Draft directly impacted the current revision and the raw responses, summary of market feedback and treatment of that feedback are **available here**.

Questions 11 – 15 did not impact the current revision but probed strategic considerations important to the IIRC's role in bringing about a more cohesive corporate reporting system.

Raw responses to Questions 11 – 15 are **available here** and the following report contains the both the summary of market feedback to Questions 11 – 15 and the treatment thereof. The <IR> Framework Panel is grateful for both the breadth and depth of public feedback, and the insightful comments and suggestions received. We trust the following pages show how we have heard the many voices and how the IIRC will respond.

Finally, it has been my privilege to work together with all <IR> Framework Panel members, guests invited to meetings and the IIRC staff. This revision would not have been possible without their dedication, commitment and expertise.

Erik Breen

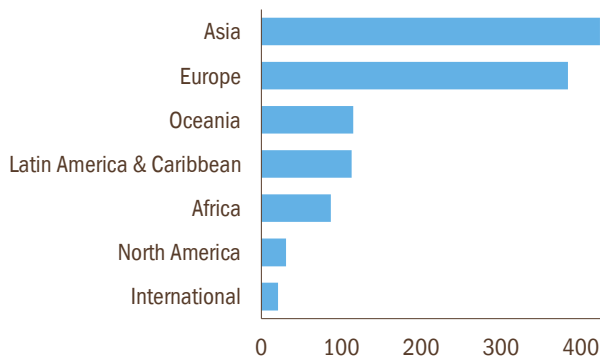
Chair, <IR> Framework Panel



In February 2020, the IIRC launched a revision of the International <IR> Framework (2013). This process – guided by a [Procedures Handbook](#) and shaped by extensive consultation – commenced with a 30-day engagement period. During those 30 days, 295 responses were received,¹ informing proposals later presented in a May 2020 [Consultation Draft](#).

In an ensuing 90-day consultation period, the market’s voice was once again heard. Individuals and organizations participated via virtual roundtables (1,061 participants) and an online survey (114 responses). The following diagrams summarize participation by region and stakeholder group.

Regional coverage



Stakeholder coverage



This document presents a statistical review of input received via a 90-day online survey, as well as illustrative quotes. Quotes are modified for length and readability, but their spirit and intent remain intact. Full responses, in their original form, are available in Consultation Draft feedback: Questions 11 - 15

The 2020 revision of the <IR> Framework provided the IIRC with an opportunity to seek market feedback on several topics that, whilst not impacting the revision of the <IR> Framework itself, represented matters for its longer- term strategic consideration.

Questions 11 – 14 of the Consultation Draft, probed four specific topics, while a final question offered an opportunity for consultation respondents to raise other matters or issues not previously addressed. Question 15 elicited respondent comments ranging from <IR> Framework advice to suggestions as to how the IIRC might increase the global adoption of integrated reporting.

Responses to Questions 11 – 14 of the Consultation Draft received via the 90-day online survey are presented below. This feedback to Questions 11 – 15 has been analyzed in the following report, and is supplemented by observations from the virtual roundtables. The IIRC’s proposed treatment of the feedback received for Questions 11 – 15 is also contained herein.

Q11	Should paragraph 1.7 extend beyond providers of financial capital alone to include providers of other forms of capital?	Yes 58%
Q12	Do you support the creation of a resource outside the <IR> to showcase authoritative sources of indicators and methodologies across the capitals?	Yes 77%
Q13	Should the IIRC address the concept of integrated thinking more deeply?	Yes 81%
Q14	Should the IIRC explore the role of technology in future corporate reporting as a priority?	Yes 70%

¹ Feedback arising from focused engagement, and the treatment thereof, is summarized in a [Companion Document to the Consultation Draft](#).



Question 11

Purpose of 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 (paragraph 1.7 of the International <IR> Framework). During the Feb – Mar 2020 focused engagement stage of the <IR> Framework revision process, the IIRC explored an extension in emphasis from ‘providers of financial capital’ to ‘providers of other forms of capital’. There was strong support for the idea, with 62 (70%) of the 88 respondents supporting the proposal, 22% opposing the proposal and 8% undecided.

The strength and quality of arguments on both sides warranted further consultation, resulting in Question 11 of the Consultation Draft asking whether paragraph 1.7 of the International <IR> Framework should extend beyond providers of financial capital alone to include providers of other forms of capital. As was the case in the focused engagement, this issue remained outside the scope of the current revision.

The majority, or 58% of the 105 respondents to the Consultation Draft, supported the proposal but to a lesser extent than during the focused engagement (70%). Support against or undecided about the proposal rose in the 2020 Consultation Draft compared to the focused engagement - 22% opposed/20% undecided (May – Aug 2020) compared to 22% opposed/8% undecided (Feb – Mar 2020).

Respondents’ reasons for and against the proposal were similar for both the focused engagement and the Consultation Draft and can be broadly summarized as follows:

Support for an extension to paragraph 1.7 to include providers of other forms of capital

- Recognizes a wider audience
- Aligns with the fundamentals of integrated reporting
- Encourages disclosures on the full range of capitals on which organizations rely or have an effect.

Opposition against an extension to paragraph 1.7 to include providers of other forms of capital

- Diminished relevance of integrated reports to providers of financial capital
- Terminology issues
- Unintended consequences for report quality through loss of focus and conciseness
- Being unable to meet the needs of all stakeholders through a single report.

While it was communicated that there would be no change to the purpose of an integrated report in the current <IR> Framework revision, the outcome of consultation feedback warrants further consideration of this matter. Market views will be brought to the attention of the IIRC’s governing bodies and will provide a bridge to further discussion and consultation for future <IR> Framework revisions.



Question 12

Indicators and methodologies across the capitals

Most respondents to Question 12 of the Consultation Draft agreed that a resource outside the <IR> Framework should be created to showcase authoritative sources of indicators and methodologies across the capitals (105 responses – 77% support, 13% oppose, 10% undecided). Their support was based on the views that such a resource would: 1) better connect the <IR> Framework and other standards, 2) help report preparers develop appropriate disclosures, 3) improve preparers' efficiency, and 4) improve comparability. Those who oppose or are undecided about the proposal to create a resource showcasing authoritative indicators and methodologies, cited a number of concerns: 1) maintaining flexibility and a principles-based approach, 2) such a resource should not be the IIRC's priority, and 3) similar resources already exist.

Respondents made several helpful suggestions regarding the creation of a resource external to the <IR> Framework, that would act as a reference tool pointing to, rather than endorsing, different indicators and methodologies across the capitals. Respondents encouraged the IIRC to:

1. Focus on relevant standards, frameworks and initiatives
2. Maintain flexibility
3. Include categorization in the resource
4. Develop practical guidance.

The IIRC is aware of a number of initiatives looking at common metrics that are market driven and key to investor and other stakeholder decision making (e.g. WEF IBC metrics/disclosures, the Reporting Exchange by WBCSD). Furthermore, the IIRC does not operate in isolation and works in close co-operation with other organizations.

Accordingly, and in line with the September 2020 [Statement of Intent to Work Together Towards Comprehensive Corporate Reporting](#) released by the IIRC with four other global organizations, a collaborative approach, either working with co-signatories to the Joint Statement, or with others, to the development of a such resource is likely to be more productive, and favorably received by the market rather than potentially overlap and further confuse the reporting landscape. Collation and ongoing management of database content would also likely be more efficient if the IIRC's efforts were combined with others.



Question 13

Integrated thinking

The IIRC has developed an [FAQ on integrated thinking](#), established a special interest group focused on [Integrated thinking & Strategy](#), featured the topic during annual conferences and run several <IR> Business Network webinars on the topic of integrated thinking. In addition, the special interest group has produced thought leadership materials including of a number of [detailed case studies](#).

However, there remains a clear need for more practical guidance to help report preparers understand and apply the concept of integrated thinking. An overwhelming majority (75%) of the 105 respondents to Consultation Question 13 support the IIRC addressing the concept of integrated thinking more deeply (105 responses – 75% support, 15% oppose, 10% undecided).

Those who believe the IIRC should address the concept of integrated thinking more deeply offered the following suggestions:

- Develop practical guidance
- Share more case studies/practical examples
- Expand on the concept, perhaps beyond the <IR> Framework
- Expand knowledge development initiatives
- Improve definition and/or explanation in the <IR> Framework
- Create tools to help implement integrated thinking.

Those who were opposed to, or undecided about, the IIRC needing to take action in relation to integrated thinking felt that the existing explanation is sufficient and appropriate, or that introducing more guidance could be problematic.

Consultation feedback, along with discussion during the regional roundtables, indicates a widely shared view that further guidance on integrated thinking is required, the IIRC will put a workplan in place in response. The plan will include, but is not limited to the following actions:

1. Create a dedicated page on the IIRC website so integrated thinking resources are consolidated and can be more easily accessed and promoted
2. Continue to support the work of the Integrated Thinking & Strategy Group, and ensure outputs of that group are well publicized e.g. case studies of organizations who have implemented integrated reporting and other thought leadership papers
3. Continue to include the topic of integrated thinking on Business Network webinars
4. Create and upload short videos to the IIRC website from experienced integrated reporters explaining the benefits of integrated thinking and highlighting their learnings
5. Include a link from the <IR> Examples Database to the dedicated integrated thinking webpage
6. Draw on academic research and the experience of the Integrated Thinking & Strategy Group participants and the wider Business Network to develop a pre-assessment tool for organizations (e.g. a simple self-assessment questionnaire) to understand their current levels of integrated thinking, if any, and help them prioritize their efforts to implement the concept
7. Meet with <IR> Training Partners to understand how they are addressing integrated thinking in integrated reporting training sessions to identify opportunities for improvement
8. Ensure IIRC conferences continue to include practical workshops on implementing integrated thinking.



Question 14

The IIRC and the role of technology

During the Feb – Mar 2020 focused engagement stage of the <IR> Framework revision process, the IIRC probed the public's views on considerations that should inform its strategic deliberations on the role of technology in future corporate reporting (ref: Q2, [page 34 of the Companion Document to the Consultation Draft](#)). Responses fell into five classes:

- Anticipate future corporate reporting mechanisms
- Identify the needs and interest of report preparers
- Understand the evolving needs of report users
- Consider the pitfalls of technology and a strong technology-based strategy
- Consider growing market interest in data indexing and taxonomies.

Question 14 of the Consultation Draft asked whether the IIRC should prioritize exploring technology's role in future corporate reporting. Of the 105 respondents to Question 14, 73 (70%) support the IIRC exploring the role of technology in corporate reporting as a priority, for four main reasons:

- Technology will raise the standard and efficiency of corporate reporting
- A technology focus will enhance, and be enhanced by collaboration
- Technology will enable more robust and comparable data
- Technology will improve the integration and connectivity of reporting data.

Those who oppose the IIRC prioritizing a focus on technology believe this is beyond the IIRC's remit. They also note a lack of technology expertise within the IIRC and believe its focus should be on Framework revisions and adoption.

Market feedback to Question 14 indicates a clear expectation that the IIRC will be involved in efforts to explore the role of technology in making corporate reporting and the underlying data more efficient, robust, comparable and better connected. The significant feedback received from both the Feb - March 2020 focused engagement and the Consultation Draft will provide valuable input to exploration of the following issues:

- How companies use technology to make decisions
- How technology can facilitate the reporting process by improving data collection processes
- How technology can impact the user experience e.g. the IFRS Foundation and the International Accounting Standards Board provide an XBRL taxonomy for International Financial Reporting Standards and the IIRC is aware of SASB's efforts to translate its standards into XBRL
- How software can capture narrative elements of financial and other corporate reporting
- How technology can facilitate the audit & assurance of an integrated report
- How technology can help to satisfy growing disclosure requirements including country-by-country reporting, and reporting across the six capitals.

The way forward will be determined based on the IIRC's strategic priorities, and an understanding of how and where its resources are best utilized to make a meaningful contribution to harnessing the power of technology as it relates to integrated reporting specifically, and future corporate reporting more generally. The valuable feedback received from both the 30-day focused engagement and the 90-day consultation will be taken into account by the IIRC during identification of potential courses of action, all of which will be properly assessed within the context of efforts already underway by other parties. For example, CDP is in the process of expanding and upgrading its platform to host more sustainability information, as described in the [Statement of Intent to Work Together Towards Comprehensive Corporate Reporting](#).



Question 15

Other feedback

Fifty-nine individuals provided further suggestions and advice in response to Question 15 of the Consultation Draft. The responses were thematically analyzed and consolidated into five categories for further consideration by the IIRC:

1. <IR> Framework advice (39% of responses)

Respondents noted several ways in which the <IR> Framework could be improved, from minor adjustments for clarity to more substantive changes to its text, structure and focus. As a starting point, respondents suggested the <IR> Framework should simplify its approach to better accommodate SMEs and encourage further adoption of integrated reporting.

2. Collaboration and convergence (29% of responses)

Further efforts towards collaboration and convergence with standard setters, regulatory bodies and the IIRC are seen by respondents as a pre-requisite in the creation of a globally recognized conceptual framework for better connected financial and other corporate reporting.

3. Assurance and credibility (15% of responses)

To improve the adoption of integrated reporting on a global scale, respondents believe the IIRC must take greater consideration over matters of assurance and credibility. Specific explanations within the <IR> Framework outlining how a report aligns with global assurance standards and further collaboration with standard setters will improve the assurance-readiness of integrated reports.

4. Supplementary materials (9% of responses)

The production of case studies, illustrative examples or links to recommended supplementary materials by the IIRC would greatly increase the clarity, comparability and ease of preparation of an integrated report.

5. Strategic advice (8% of responses)

Respondents suggested numerous strategic factors for the IIRC to consider as it aims to establish integrated reporting as the norm in both the public and private sectors, including:

- The convergence of the <IR> Framework with other frameworks and standards to generate an overarching framework for financial and other corporate reporting
- Establishing who the primary and secondary audiences are for an integrated report
- Clearly outlining how integrated reporting relates to sustainability and ESG, and how integrated reporting can be connected to these movements while preserving its own identity.

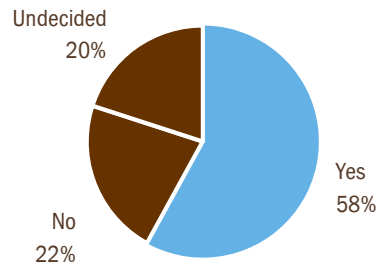


Q11 Should paragraph 1.7 extend beyond providers of financial capital alone to include providers of other forms of capital?

Question 11 explored whether paragraph 1.7 of the International <IR> Framework should shift in emphasis from ‘providers of financial capital’ alone to also include ‘providers of other forms of capital’.

Of the 105 respondents to Question 11, 61 (58%) support the change. Report preparers (13), consultants (12), and academia (10) account for 57% of the supporting responses. Support is rooted in five main themes.

Figure 11. Responses to Question 11



62% A multi-capital focus enhances accountability

of supporting feedback

Raised by 31 respondents

The proposal to expand the target audience of integrated reports from ‘providers of financial capital’ alone to include ‘providers of other forms of capital’ reflects all sources of value creation (six capitals), and thus encourages enhanced organizational accountability towards all stakeholders. This shift in emphasis can also encourage other types of “non-corporate” organizations to adopt integrated reporting.

Testimonials

- 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... **Academic, Spain**
- 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. **Report preparer, Russian Federation**
- 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, it’s important that the report incorporate all providers of these 6 types of capital... **Other, South Africa**
- 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. **Assurance provider, International**
- 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). **Industry organization, Brazil**



12%

of supporting
feedback**It improves consistency with other Framework concepts**

Raised by nine respondents

The proposal outlined in the Consultation Draft can improve the consistency with other concepts present in the International <IR> Framework, such as 'outcomes' and 'impacts', and in general with the aim of integrated reporting to be an 'umbrella' notion of reporting practice.

Testimonials

- 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. Organizations should identify the broader providers of capital and disclose information in the Integrated Report required by the broader audience. **Report preparer, South Africa**
- Extending the interest about integrated report to other providers of capitals (other than financial) may enhance compliance with the scope of integrated report itself. **Report preparer, Italy**
- Firstly, the integrated report is the organization's explanation of how it creates, preserves and erodes value over time. It is the story of the organization 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 organization. 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... . **Other, South Africa**

12%

of supporting
feedback**The proposed change improves transparency**

Raised by six respondents

The proposal outlined in the Consultation Draft would encourage improved transparency of organizations.

Testimonials

- 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. **Academic, Argentina**
- 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....". **Consultant, New Zealand**



10%

of supporting
feedback**It does not diminish the relevance of providers of financial capital**

Raised by five respondents

The proposal outlined in the Consultation Draft does not necessarily diminish the focus on and the relevance of providers of financial capital.

Testimonials

- Encouraging disclosure on the full range of capitals will lead to improved transparency which is of value to and relevant to investors. **Report preparer, New Zealand**
- 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. **Other, Brazil**

4%

of supporting
feedback**The proposed change improves alignment with other reporting mechanisms**

Raised by two respondents

The proposal outlined in the Consultation Draft can improve the <IR>Framework's alignment with other frameworks and standards.

Testimonials

- Providers of other forms of capital also have a stake in how an organization 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. **Professional body, United Kingdom**
- To create alignment with NFI. **Consultant, Italy**



Of the 105 respondents to Question 11, 23 (22%) **oppose** the changes. A further 21 (20%) are **undecided**. Those opposed to, or uncertain about, the revisions presented in the Consultation Draft are mainly professional bodies, academia, non-governmental organizations and consultants. The areas of opposition are summarized below.

76%

of opposing feedback

Loss of focus and conciseness

Raised by sixteen respondents

The proposed shift from ‘providers of financial capital’ alone to ‘providers of other forms of capital’ will negatively affect the focus of the integrated report, and thus its conciseness. Providers of financial capital are fundamental actors for the achievement of a long-term value creation process. Furthermore, changing the focus increases the risk that integrated reports will become a ‘boilerplate’ communication, potentially providing unsatisfactory and less relevant information both to providers of financial capital and providers of other forms of capital. This change could also have implications for assurance.

Concerns

- This will expand the reports exponentially and unnecessarily increase the liability of the preparer. **Consultant, Sri Lanka**
- 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. **Academic, South Africa**
- Such a venture would require a lot of theoretical thinking and explanation and seriously risks diluting the theory of change of integrated reporting. **Standard setter or framework developer, United Kingdom**
- 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. **Professional body, International**

14%

of opposing feedback

The <IR> Framework is already clear

Raised by three respondents

A change in emphasis is not needed, as the International <IR> Framework already clearly presents its target audience, if paragraphs 1.7 and 1.8 are jointly read.

Concerns

- 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. **Academic, Australia**



10%

of opposing
feedback**One report cannot meet the information needs of all stakeholders**

Raised by two respondents

It is unlikely that one report can meet the information needs of a wider community of stakeholders.

Concerns

- 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. **Professional body, International**

ROUNDTABLES

Question 11 elicited strong views, both for and against the change proposed to paragraph 1.7. Many of the comments reflected feedback already received during the focused engagement. Support for the change to paragraph 1.7 recognized providers of financial capital remain key, but that it was important to take into consideration providers of other forms of capital, and that providers of financial capital and of other capitals are not

Those opposing the change indicated that one report can't communicate equally with all providers of capital, and a primary audience was still needed. Another participant opposed to the change noted "The answer is NO. When the <IR> framework was launched the CEO of the IIRC's message was its focus on Financial Capital Providers in order to provide clear concise report. It needs to cover impacts on non-financial capitals to the extent they are material to Financial Capital Providers. Already nearly every integrated report fails to be CONCISE. Broadening the audience would make this much worse."

Unanimous feedback from the UK roundtable, which was strongly against the change to paragraph 1.7, highlighted the fundamental strategic change this would mean for the IIRC. An experienced audit practitioner noted that "the report is being created for a purpose and removing a word could mean changing how many companies, investors and stakeholders use the report; let alone who the report is aimed for." Another participant supported this and mentioned that the financial fraternity's role in business overall is vital for driving

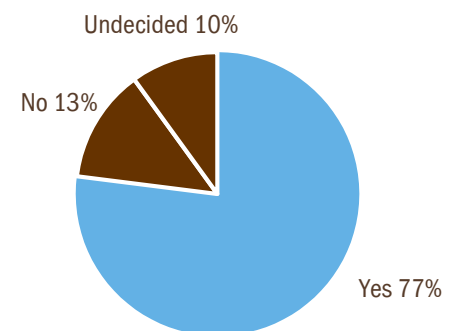
Q12

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 initiative should the resource point?

Question 12 explored whether the creation of a resource outside the <IR> Framework to showcase authoritative sources of indicators and methodologies across the capitals is supported, and if so, which standards, frameworks or initiative should be referenced.

Of the 105 respondents to Question 12, 81 (77%) support the proposal. Academia (17), professional bodies (15) and consultants (13), account for more than half of the supporting responses. Support is focused on four main themes.

Figure 12. Responses to Question 12



51%

of supporting
feedback

It would better connect the <IR> Framework and other standards

Raised by 22 respondents

The proposal advanced in the Consultation Draft is seen as providing a mechanism to better connect the International <IR> Framework with other existing standards and frameworks in this arena, in particular, integrated reporting principles with industry-related indicators.

Testimonials

- This can help us all align better, provide clarity to the market and build on each others' work. **Non-governmental organization, Netherlands**
- We agree with the need for there to be clear linkage and alignment with other standards, frameworks and initiatives. **Professional body, Hong Kong**
- The IIRC should explicitly link with reporting standards which provide authoritative sources of indicators and methodologies across the capitals. **Academic, China**
- A central database that houses indicators and methodologies would be helpful to address inconsistencies across reporting efforts. **Investor, USA**
- 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. **Report preparer, Netherlands**



19%

of supporting
feedback**It helps report preparers develop appropriate disclosures**

Raised by eight respondents

The proposal outlined in the Consultation Draft can help preparers develop appropriate disclosures by providing them with a comprehensive set of resources that can support reporting across the six capitals.

Testimonials

- Without a doubt, the creation of these resources can contribute to research and future improvement in reporting. **Academic, Spain**
- 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. **Consultant, Canada**
- An online database that is properly maintained would guide organisations to improve their quality of reporting over time. **Professional body, Malaysia.**

19%

of supporting
feedback**It improves preparers' efficiency**

Raised by eight respondents

The creation of an ad hoc online resource will reduce the costs in which an organization incurs to search for indicators and methodologies.

Testimonials

- The creation of a database results in efficiency in report preparation. **Professional body, South Africa**
- ... 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... **Academic, Argentina**
- Since this is a principles-based framework, easy access to such a resource base will help the report preparers to operationalize the Framework. **Consultant, Sri Lanka**

11%

of supporting
feedback**It improves comparability**

Raised by five respondents

The creation of an-ad hoc online resource, by providing a set of indicators and methodologies, will improve the comparability of information.

Testimonials

- It will also be important to include the common basis of calculation for popular indicators to support comparability. **Other, Australia**
- This seems to be a requirement from many users of reports, who want comparability of reports. **Report preparer, South Africa**



Of the 105 respondents to Question 12, 14 (13%) **oppose**. A further 10 (10%) are **undecided**. Those opposed to, or uncertain about, the creation of a resource outside the <IR> Framework presented in the Consultation Draft are report preparers, professional bodies and academia. The areas of opposition are summarized below.

42%of opposing
feedback**Maintain flexibility and a principles-based approach**

Raised by five respondents

It is the company that should identify the indicators to be used in accordance with its value creation story.

Concerns

- 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. **Consultant, Brazil**
- 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. **Academic, Netherlands**
- Principle-based approach should prevail. **Report preparer, Russian Federation**

33%of opposing
feedback**It is not the priority**

Raised by four respondents

The creation of an online resource is not felt to be a priority for the IIRC at this moment. Rather, the focus should be on the possible alignment of the existing frameworks and standards.

Concerns

- 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. **Report preparer, South Africa**
- 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 ... **Investor, Netherlands**

25%of opposing
feedback**There are already dedicated resources available**

Raised by three respondents

Notwithstanding the proposal is welcome, there are already available resources that can support companies in reporting information on the six capitals.

Concerns

- There are currently a number of resources in this area... . **Investor, United Kingdom**
- 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... . **Policy maker, United Kingdom**

ROUNDTABLES

Participants across the majority of roundtables believe that there are too many standards, frameworks and metrics, and that going forward, standardization is key. Having said that, the <IR> Framework was supported as the best framework to connect the various standards and frameworks. Indeed, some participants in the Japanese roundtable suggested that the IIRC should play the leading role in clarifying the connections between different metrics and standards with the <IR> Framework.

It was agreed greater engagement with existing frameworks is needed, as well as clear acknowledgement of how organizations can use integrated reporting to comply with other regulations e.g. the EU Non-Financial Reporting Directive.

There was strong support for an online resource, which was recognized as “an opportunity to present a top-down view of the corporate reporting system”. Such a database could be used to demonstrate how organizations could use integrated reporting to comply with other regulations, such as the EU Non-Financial, and could be especially helpful to less experienced reporters. In particular, participants frequently noted that the database should reference the IAASB’s EER guidance, SASB, GRI, TCFD and the SDGs. Other suggestions included the United Nations Global Compact, the EU Taxonomy, CDP, industry WICI KPIs and ISO 26000.

A suggestion from the US roundtable was for a crowdsourcing platform to share indicators and practices in use, with upvoting to identify promising practices which could hasten wider and better understanding of how information is sourced and applied, and which metrics are actually indicators of value creation.

The work of the Corporate Reporting Dialogue was raised, as was the importance of collaboration and opportunities for cross-learning. Participants encouraged the IIRC to consider some of the reporting exchanges already in existence, for example, the WBCSD’s Reporting Exchange, the CDSB and TCFD Knowledge Hub. Stock exchanges and some governments were also cited as having repositories of reporting materials. Some respondents felt there were sufficient databases available capturing all the different reporting formats, and that the IIRC’s efforts, instead of “recreating the wheel”, might be better focused on adding additional content to a repository already in existence.

The IIRC’s own Examples Database was also mentioned as something that could be built upon, as the leading source for best practices and developing an integrated report, as well as providing more examples of organizations on the journey to integrated thinking.



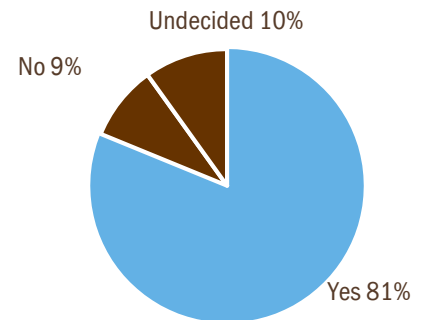
Standards, frameworks or initiatives that should be referenced		Count
1	GRI	20
2	SASB	18
3	TCFD	14
4	UN SDGs	7
5	CRD participants	6
6	ISO	5
7	EU Directive	4
8	WICI	3
9	CDSB	2
10	CDP	2
11	Natural Capital Coalition	1
12	Future Fit Business Benchmark	1
13	IMP	1
14	Social Value International	1
15	World Benchmarking Alliance	1
16	EU Taxonomy on Sustainable Finance	1
17	IASB	1
18	B Companies Certification	1
19	Matrix of the common good	1
20	China's and CASS-CSR4.0	1
21	UNCTAD ISAR	1
22	PRI	1
23	A4S CFO Leadership Network	1
24	GHG Protocol	1
25	COSO	1
26	WBCSD	1

Q13 Should the IIRC address the concept of integrated thinking more deeply? If yes, what additional guidance is needed?

Question 13 examined the extent to which the market would welcome more guidance from the IIRC on the concept of integrated thinking, and invited suggestions on the guidance that would be helpful.

Of the 105 respondents to Question 13, 85 (81%) support the IIRC addressing the concept of integrated thinking more deeply. Academia (18), consultants (16), professional bodies (15) and report preparers (11) account for 71% of the supportive responses. Suggestions regarding additional guidance on integrated thinking are outlined below.

Figure 13. Responses to Question 13

**32%**

of supporting suggestions

Develop practical guidance

Raised by 40 respondents

Report preparers would benefit from practical guidance on how to apply integrated thinking to support the conceptual explanation in the <IR> Framework. Guidance could be overarching, explaining general processes for implementing integrated thinking, or could address specific aspects of implementation, such as the organizational or cultural change required, or how integrated thinking could be applied to strategy and business planning. Industry- or other context-specific application guidance would also be helpful.

Testimonials

- The definition of integrated thinking in the <IR> Framework and the subsequent explanation in the IIRC's FAQs, would benefit from further clarification and practical application guidance. **Professional body, International**
- 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. **Consultant, Sri Lanka**
- A practical explanation - at the moment it is an ambiguous concept. Integrated thinking is tied to organisational culture - how the organisation thinks, not individuals. **Academic, Australia**
- 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...More specific, actionable guidance that focuses on 360 degree organizational line-of-sight, integrated strategy, and decision-making would be highly valuable. **Professional body, International**
- Integrated thinking: important to relate to the need for cultural change and everything it encompasses (corporate changes, new cultural elements inserted, new rites, etc.). **<IR> Network, Brazil**
- More industry specific guidance and examples required across all sectors. **Report preparer, Netherlands**



23%

of supporting suggestions

Share more case studies/practical examples

Raised by 29 respondents

Report preparers will benefit from examples of integrated thinking in practice. This can be achieved via guidance publications, FAQs containing best practice, or on a peer-to-peer basis through a sharing platform. Case studies should be tailored to illustrate integrated thinking in specific industries, as well as different levels of maturity.

Testimonials

- This exercise need not necessarily be considered as part of the revised <IR> Framework, but perhaps as a separate project or initiative that encourages the sharing of examples of best practice. **Professional body, UK**
- 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. **Professional body, Malaysia**
- The <IR> Framework can mention that integrated thinking case studies are available on the IIRC 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. **Report preparer, China**
- To me, integrated thinking is about a community of practice that sits about and builds on each other, through their latest thinking and best practices. **Academic, Turkey**
- 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. **Professional body, Malaysia**

17%

of supporting suggestions

Expand on the concept, perhaps beyond the <IR> Framework

Raised by 22 respondents

The high-level explanation of integrated thinking should expand, within the <IR> Framework or beyond. The IIRC might explain how integrated thinking relates to the <IR> Framework's Guiding Principles and Content Elements, or to other practical business considerations. The benefits of integrated thinking could also be explored.

Testimonials

- The concept of integrated thinking presented by the <IR> Framework is not clear and objective. This makes it difficult for users (report writers and academic community) to understand the meaning and scope of the term "integrated thinking". **Academic, Brazil**
- Addressing the concept of integrated thinking more deeply is about long-term thinking, intergenerational justice and equity. **Consultant, Australia**
- The process for preparing 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 (not) fully appreciate the linkage. **NGO, UK**
- 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...This will entail interrogating the corporate objective, the culture of the people, societal expectation, managerial incentives, inequities, future generations' needs. **Other, Nigeria**



13%

of supporting suggestions

Expand knowledge development initiatives

Raised by 16 respondents

The IIRC should invest in knowledge development initiatives such as peer-to-peer knowledge sharing hubs, research and thought leadership publications, workshops and webinars, and collaboration with others. More could be done to showcase the IIRC's existing work on integrated thinking outside the <IR> Framework.

Testimonials

- Illustrative case studies and thought-leadership papers and events should suffice for now. Guidance as such should be in collaboration with like-minded influential business, governance and investor organizations. **Consultant, Canada**
- Practical workshops and best practice publications would be useful guidance. Report preparer, South Africa
- Illustrative case studies that IIRC has already produced are helpful, but perhaps more active knowledge development is called for, such as through workshops or interactive webinars. **Framework developer, UK**
- We believe that the term is sufficiently defined and referenced in the <IR> Framework for the purposes of the Framework itself and to serve the integrated report...Therefore, instead of further including it in the <IR> Framework, the IIRC could set up a hub or lab to allow companies to share their practices on the topic and publish best practices. **NGO, Belgium**
- 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. **Professional body, UK**

9%

of supporting suggestions

Improve definition and/or explanation in the <IR> Framework

Raised by 12 respondents

The <IR> Framework's approach to integrated thinking can be improved. In addition to clarifying the existing text through traditional business language, the concept can be referenced more frequently, giving it more weight. Cross-referencing to related content, including best practice examples, would also be helpful.

Testimonials

- This high-level concept can be better explained in the opening paragraphs of the <IR> 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 <IR> Framework so that the integration of the capitals is referenced first, followed by the integration of departmental information. **<IR> Network, South Africa**
- The concept of integrated thinking has not yet been fully appreciated especially in jurisdictions where the concept is being introduced. ... we propose collating and analyzing the lessons on integrated thinking to determine how best to strengthen and simplify the definition, concept and guidance... **<IR> Network, Africa**
- 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. **Professional body, International**



7%

of supporting suggestions

Create tools to help implement integrated thinking

Raised by nine respondents

The IIRC could create new tools to help implement integrated thinking. Ultimately, this could take the form of overarching concrete guiding principles for integrated thinking (for example in a new dedicated framework for integrated thinking). On a smaller scale, tools for embedding integrated thinking into specific processes, as well as tools for gauging an organization's integrated thinking maturity would also be useful.

Testimonials

- It would be helpful to establish a concrete set of factors or principles to consider. **Investor, USA**
- ... 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... such a framework would help smaller businesses that don't necessarily produce integrated reports for their stakeholders but would benefit greatly from the implementation of integrated thinking..... **Academic, South Africa**
- ... a further way to "guide" organizations through the process of integrated thinking...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. **Industry organization, Italy**

Of the 105 respondents to Question 13, nine (9%) **oppose** the idea that the IIRC should address the concept of integrated thinking more deeply. A further 10 (10%) are **undecided**. Professional bodies and report preparers account for 58% of those opposed or uncertain about the proposal.

73%

of opposing feedback

The existing explanation is sufficient and appropriate

Raised by 11 respondents

Integrated thinking is already sufficiently explained inside and outside the <IR> Framework. Explanations in the <IR> Framework should remain conceptual to allow for implementation in different contexts. Maturity in integrated thinking comes with experience rather than more guidance.

Concerns

- ... 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 integrated reporting... 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. **NGO, Germany**
- 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. **Academic, Spain**
- ... the concept of integrated thinking is sufficiently demonstrated in the interdependencies between financial and non-financial capitals outlined within the Framework. **Assurance provider, International**

27%of opposing
feedback**Introducing more guidance could be problematic**

Raised by four respondents

Adding further explanation or guidance could be problematic and/or have adverse effects on understanding or uptake. Making comprehensive guidelines on integrated thinking would be difficult, and it is unclear what form further guidance should take. More detail or emphasis on integrated thinking could lead to more confusion, and it may have the effect of deterring those yet to achieve maturity in integrated thinking from taking up integrated reporting.

Concerns

- 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. **Report preparer, United Kingdom**
- 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. **Professional body, United Kingdom**
- 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. **Report preparer, South Africa**

ROUNDTABLES

Reaction to this question was mixed across the roundtables. Some felt that sufficient resources were available, while the majority thought that integrated thinking suffers from significant conceptual, theoretical, and practical challenges. One consultant described integrated thinking as “a bit of a mystery for many”, suggesting that the concept of integrated thinking was too academic rather than lending itself to practical application or implementation.

There were consistent calls across the roundtables for a simpler definition of integrated thinking, and greater visual representation of what the concept meant in practice to increase the overall understanding of integrated thinking. Some participants suggested development of an Integrated Thinking Framework could add value and would be welcomed by report practitioners. Participants were unanimous in their appreciation of “the report being the end point, the thinking comes first”.

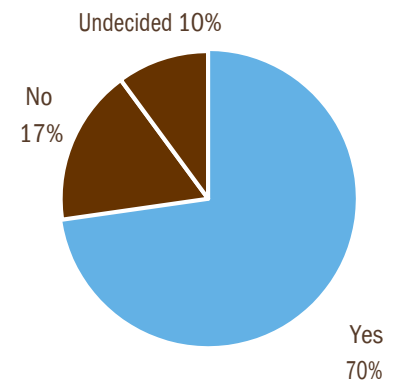
Q14 Should the IIRC explore the role of technology in future corporate reporting as a priority?

As part of the Feb – Mar 2020 focused engagement stage of the revision process, the IIRC asked the public to consider the role technology should play in future corporate reporting (ref: Q2, page 34 of the [Companion Document to the Consultation Draft](#)). Responses fell into five classes:

- Anticipate future corporate reporting mechanisms
- Identify the needs and interest of report preparers
- Understand the evolving needs of report users
- Consider the pitfalls of technology and a strong technology-based strategy
- Consider growing market interest in data indexing and taxonomies.

Question 14 of the consultation draft aimed to establish what level of focus the IIRC should place on technology's role in integrated reporting and what specific technological aspects should be addressed.

Figure 14. Responses to Question 14



Of the 105 respondents to Question 14, 73 (70%) [support](#) exploring the role of technology in corporate reporting as a priority. Academics (18), consultants (16), professional bodies (15) and report preparers (12) account for 84% of the supporting responses. Supporting arguments for the exploration of technology in integrated reporting are found below.

**50%**of supporting
feedback**Technology will raise the standard and efficiency of corporate reporting**

Raised by 55 respondents

Exploring the future role of technology will improve the efficiency and overall standard of corporate data. There are numerous channels through which technological advancement can progress reporting, including the automation and dematerialization of reporting, establishment of real-time reporting, AI and extension of XBRL tagging.

Testimonials

- Technology can 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. **Professional body, International**
- We encourage the IIRC to take a leadership role...by considering digitization and real-time information which allow the possibility of continuous reporting. **Standard setter, New Zealand**
- 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. **Assurance provider, UK**
- Technology in corporate reporting could be leveraged to enhance analytics of corporate reporting and best practice and can contribute to best practice guidance. **Report preparer, Netherlands**
- 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. **Report preparer, South Africa**
- Technology will impact the way organizations report in future. This goes beyond the 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. **Professional body, International**



17%

of supporting
feedback**A technology focus will enhance, and be enhanced by, collaboration**

Raised by 19 respondents

The use of technology can facilitate the advancement of communications and convergence between reporting standards, regulatory bodies and assurers in corporate reporting. The IIRC should play a role in facilitating this collaboration by providing guidance on how technology can advance corporate reporting now and in the future.

Testimonials

- We believe that significant collaboration is required 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. This movement is systemic, which makes partnerships with other organizations necessary. **Professional body, International**
- We recommend that the IIRC consider partnering with technology companies and others (e.g. data providers and rating agencies) to develop thinking and steps forward. **Assurance provider, International**
- Since the <IR> Framework is principle-based, the IIRC should encourage and provide guiding principles that organizations should consider in incrementally shifting to use of technology in their reporting regime. **NGO, South Africa**
- Guidance regarding the following would be valuable: real-time reporting, the use of concepts like XBRL, value creation tools, real-time engagement with organizations, continuous assurance, the role of technology and related innovations, machine learning and data analytics. **NGO, South Africa**
- 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. **Assurance provider, UK**

16%

of supporting
feedback**Technology will enable more robust and comparable data**

Raised by 18 respondents

Technological advancements in reporting will improve the reliability and comparability of data. This is particularly relevant in creating globally-recognized standards for analyzing non-financial information in integrated reporting.

Testimonials

- The most urgent priority in the corporate reporting 'system' is the quality, completeness and comparability of metrics in ESG and non-financial information. 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... **Assurance provider, International**
- ... the exploration of the role of technology for all reporting purposes is unreservedly welcome. In particular, regarding the issue of evidence-based reporting, technology (such as artificial intelligence) could and will help a lot, for example, to detect and report evidence-based connectivity, which is crucial to apply the concept of integrated thinking effectively in corporate management and reporting. **NGO, Germany**
- Advancement in technology has led to scenarios for building more reliable and transparent forms of accountability that can be considered for integrated information. **Academic, Columbia**
- 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. **NGO, UK**



15%

of supporting
feedback**Improving the integration and connectivity of reporting data**

Raised by 17 respondents

Greater focus on technology's role in reporting will facilitate the integration and connectivity of reporting data, supporting the amalgamation of multiple reporting frameworks under the umbrella of the <IR> Framework.

Testimonials

- Communication technologies will be essential in a world where integrated reporting is linked to more detailed reporting channels, and where stakeholders need to be able to customize their information needs from specific sources under an overarching <IR> Framework. **Consultant, Canada**
- Technology will 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. **Professional body, Malaysia**
- Principles such as conciseness, comprehensiveness and connectivity are applied better in online reporting relying on new software capabilities. **Academic, South Africa**
- 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 the linkage of integrated reporting and other reporting frameworks. **Professional body, China**
- Technology should have a more independent role within the <IR> Framework, more linked to the concepts of digitalization and platformization. **Report preparer, Italy**

Of the 105 responses to Question 14, 21 (20%) **oppose** the IIRC prioritizing a focus on technology in integrated reporting. A further 11 (10%) are **undecided**. Professional bodies make up 15% of this group, with the remaining responses evenly dispersed across stakeholder groups. Opposing views fall into four categories as outlined below.

42%

of opposing
feedback**Outside the remit of the IIRC**

Raised by 10 respondents

The advancement of technology for corporate reporting is outside the role of the IIRC, although technological considerations should be made, it should not be a priority and falls outside the IIRC's expertise.

Concerns

- 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. **Standard setter, UK**
- ... there is a potentially significant risk of losing focus, particularly if, as seems highly appropriate, the <IR> Framework evolves more towards a conceptual framework for comprehensive reporting embracing both financial and non-financial information. The IIRC, with its <IR> Framework, is more appropriately positioned as a driver, facilitator and influencer of these developments. **Professional body, Australia**
- The role and influence of technology in integrated reporting should be addressed at the organization level. Each organization should establish how it can harness the use of technology to enhance their reporting. **Professional body, Botswana**
- This is not the core competency of the IIRC and can be left to those specializing on the topic. **Consultant, Germany**



38%

of opposing feedback

Need to focus on framework revisions and adoption

Raised by nine respondents

Focusing on technology should not be the main priority for the IIRC, significant effort needs to remain on the revisions of the <IR> Framework and the continued adoption of integrated reporting on a global scale.

Concerns

- The IIRC needs to focus on the application of integrated reporting i.e. the take-up and quality of integrated reporting rather than the mechanics. **Consultant, Australia**
- 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, 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. **Investor, Netherlands**
- The primary focus for the IIRC should be on the development of a framework that is capable of consistent adoption and application. **Professional body, UK**
- We do 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. **Professional body, International**

ROUNDTABLES



Technology was universally viewed as important but not necessarily a priority for the IIRC, which many felt should focus on global adoption of integrated reporting. Collaboration and/or partnership with other international bodies already working on technology was supported. XBRL was mentioned several times and it was noted by one participant that "a universally accepted methodology for evaluating comparability of ESG data has not been developed yet. It is crucial that taking concrete steps to develop a single reporting standard that can facilitate investors' data collection process and produce more comparable and qualified data. IIRC could focus on XBRL based reporting and collaborate other reporting setters in this way".



Q15

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

Fifty-nine individuals provided further suggestions and advice in response to Question 15 of the Consultation Draft. These 59 responses were thematically analyzed, outlining 150 points of interest that were consolidated into 5 main categories of response for consideration by the IIRC. These categories were:

- <IR> Framework advice (39%)
- Collaboration and convergence (29%)
- Assurance and credibility (15%)
- Supplementary materials (9%)
- Strategic advice (8%).

Fifty-eight (39%) of the points of interest concerned direct changes to the <IR> Framework, 44 (29%) discussed collaboration of standard setters, metrics and comparability between reports, 23 (15%) focused on assurance considerations and credibility of reports, 13 (9%) outlined the requirement for supplementary materials additional to the <IR> Framework and 12 (8%) offered strategic advice to the IIRC.



39%

of feedback
discussed**Framework advice**

Framework advice was raised on 58 occasions

Respondents had varying suggestions for how the <IR> Framework might be improved, from minor adjustments for clarity to more substantive changes to its text, structure and focus.

Testimonials**SMEs**

- 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. **Professional body, United Kingdom**
- The IIRC should think of categorizing and customize integrated reporting guidance and future reporting standards on the ground of size and operational complexity of reporting entities for SMEs and in other jurisdictions. **Professional body, Tanzania**

Materiality

- 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 mechanisms are 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. **Standard setter, Japan**
- 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. **Consultant, Australia**
- The <IR> Framework should define materiality with respect to both value creation and impact on the 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. **Intergovernmental organization, Global**

Framework compliance

- 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. **Report preparer, China**

Business analysis

- We view the integrated reporting framework as an opportunity for analysts to refocus 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?). The <IR> Framework 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, and what are the most important non-financial indicators linked to value drivers. **Industry organization, France**

Suitability as umbrella framework

- 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 issues of Sustainability and ESG. **Professional body, United Kingdom**



29%

of feedback
discussed**Collaboration and convergence**

Collaboration and convergence were raised on 44 occasions

Further efforts towards collaboration and convergence with standard setters, regulatory bodies and the IIRC are seen as a pre-requisite in the creation of a globally recognized conceptual framework for better connected financial and non-financial reporting. This will be a welcome change that facilitates greater comparability between the reports of individual organizations and encourages progress in the assurance of non-financial information, as well as the alignment of non-financial metrics for reporting.

Testimonials

- 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. **Professional Body, United Kingdom**
- We hope the IIRC 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....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 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. **NGO, Europe**
- 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. **Professional body, United Kingdom**
- The IIRC must support the convergence and comparability of reporting through the incorporation of significant initiatives and standards that are the building blocks to converging and aligning metrics, including those related to sustainability/ESG. **Professional body, International**
- We would like to underline that in our opinion a link to other internationally recognized standards is necessary to allow for better comparability of information and perform third-party assurance. **Professional body, South Africa**



15%

of feedback
discussed**Assurance and credibility**

Assurance and credibility were raised on 23 occasions

Testimonials

- 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. **Professional body, South Africa**
- The Framework must incorporate corporate impacts on society and the environment. 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. **Professional body, International**
- 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. **NGO, Australia**
- 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 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. **Standard setter, USA**
- The IIRC must make efforts to 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. **Professional body, International**

9%

of feedback
discussed**Supplementary materials**

The need for supplementary materials was raised on 13 occasions

The production of case studies, illustrative examples or links to recommended supplementary materials by the IIRC would greatly increase the clarity, comparability and ease of preparation of an integrated report.

Testimonials

- The IIRC must 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. **Professional body, International**
- 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. **Professional body, Malaysia**
- We highly recommend that IIRC prepares and provide illustrative examples to ease understanding and avoid ambiguity in the application of the concepts and principles in the Framework. These examples should be issued separately to avoid issuing an overly long Framework. **NGO, South Africa**
- There is a need for illustrative examples, and complementary databases of approved metrics, standards and methodologies. **Academic, Hong Kong**



8%

of feedback
discussed**Strategic advice**

Strategic advice was raised on 12 occasions

There are numerous strategic factors for the IIRC to consider as it aims to establish integrated reporting as the norm in both the public and private sectors. These include:

- The convergence of the <IR> Framework with other frameworks and standards to generate an overarching framework for financial and non-financial reporting
- Establishing who the primary and secondary audiences are for an integrated report.

Clearly outlining how integrated reporting relates to sustainability and ESG, and how integrated reporting can be connected to these movements while preserving its own identity.

Testimonials

- The IIRC 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.
Professional body, International
- Given the rise of ESG, and relevance of IR and integrated thinking as a key tool, suggest include a 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). **Consultant, New Zealand**
- 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. **Professional body, International**
- 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. **Policy maker, UK**

**ROUNDTABLES**

The call for open feedback raised a number of issues across the roundtables. The more advanced markets, for example, Australia and the UK, discussed matters such as assurance and encouraged connectivity between the <IR> Framework and the upcoming IAASB EER Assurance Guidance. Experienced reporters saw assurance readiness as critical to the overall credibility and take up of the <IR> Framework and encourage very close and active involvement by the IIRC on this topic with the regulators and assurance

standard setters. In Italy, a market with a large proportion of SMEs, the IIRC was encouraged to make the <IR> Framework more directly relevant to that market sector to encourage further adoption. In Japan, roundtable participants encourage the IIRC to increase its investor outreach, noting that if the value of the <IR> Framework is recognized by more investors, then the incentive by the report preparers to apply the <IR> Framework would also increase. Japanese participants also encouraged a greater focus on global developments on corporate disclosure and the role played by the IIRC to be publicized more effectively.

Comments raised by roundtable participants in markets such as Poland and Argentina, where integrated reporting adoption is still building, focused on requests for additional guidance on preparing integrated reports, for example, how to meet the requirements of the <IR> Framework while still producing a concise report.

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

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