

Procedures Handbook

Guide to developing integrated reporting and integrated thinking pronouncements and other communications

November 2021



**INTEGRATED
THINKING
PRINCIPLES**



**INTEGRATED
REPORTING
FRAMEWORK**



**SASB
STANDARDS**



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Procedures Handbook

This Handbook describes the scope of integrated reporting publications and the procedures underpinning their development.

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01. Pronouncements at a glance

Integrated reporting pronouncements are formal or authoritative statements, positions or opinions issued in writing. The following outlines minimum requirements for their development.

		PROCESS STAGES														
		PROPOSE			PREPARE			CONSULT			APPROVE			ACCOUNT		
		Develop proposal document to initiate project			Develop technical content and exposure drafts			Approve and deliver > 90 day comment period(s)			Support (with or without amendment) or oppose pronouncement			Publish public feedback and Basis for Conclusions		
		RESPONSIBILITY														
		Staff	Framework Board	Oversight Committee	Staff	Framework Board	Oversight Committee	Staff	Framework Board	Oversight Committee	Staff	Framework Board	Oversight Committee	Staff	Framework Board	Oversight Committee
Most authoritative  Least authoritative	<IR> Framework	•	•		•	•		•	•	•		•	•	•	•	•
	Interpretations	•	•		•	•						•	•	•	•	•
	Practice Notes	•			•						•					
	Public Statements	•			•						•					

02. Defining pronouncements and other communications

Written communications related to integrated reporting vary in their scope, purpose, intended audience and degree of authority. These communications are generally classed as either [pronouncements](#) or [other communications](#).

Pronouncements

In this Handbook, pronouncements are defined as formal or authoritative statements, positions or opinions that are issued in writing. Pronouncements are divided into four categories.

International <IR> Framework

The International <IR> Framework ("the <IR> Framework") provides principles-based guidance for companies and other organizations wishing to prepare an integrated report. The <IR> Framework establishes Guiding Principles and Content Elements that govern the overall content of an integrated report and explain the fundamental concepts that underpin them.

Interpretations

Interpretations provide authoritative guidance on the meaning and intent of <IR> Framework requirements. These clarifications respond to observed or anticipated deviations in interpretation or application and seek to align practice with the aims of integrated reporting.

Practice Notes

Practice Notes provide non-prescriptive guidance on the implementation of <IR> Framework concepts. Practice Notes reinforce <IR> Framework and Interpretations content using illustrative examples, case studies, implementation approaches and relevant findings of research, surveys and interviews.

Public Statements

Public Statements communicate positions on particular issues, developments or bodies of work. Such pronouncements include press releases, open letters, transcripts of speeches and consultation responses.

- Open letters and transcripts of speeches may be prompted by external factors such as new or proposed policies, regulations or other market developments. Alternatively, these pronouncements may be driven internally, or proactively, to demonstrate thought leadership.
- Press releases generally announce organizational perspectives, events, activities or publications. Although press releases share similar objectives to open letters or transcripts, they are comparatively succinct and are communicated through different media channels. Press releases may be proactive, in terms of advancing the organization's agenda, or reactive to external factors.
- Consultation responses present views or recommendations on externally proposed standards, frameworks, policies or regulations.

Other communications

A range of other resources, publications and written communications support the integrated reporting movement, including:

- Articles
- Blogs and other website content
- Commissioned research
- <IR> Examples Database
- Marketing and promotional material
- Newsletters
- Training materials, including the <IR> Competence Matrix

Such communications are not official pronouncements, on the basis that they do not establish or represent formal positions or opinions.

03. Developing pronouncements

Pronouncements are subject to well-defined development and approval procedures, which reflect and support their relative authority. The [<IR> Framework Board](#) leads or supports the development of pronouncements to varying degrees. The role, composition, appointment and qualified autonomy of the <IR> Framework Board are defined in the Terms of Reference of the <IR> Framework Board.

Members of the [Value Reporting Foundation Team](#) who lead or support the development of most pronouncements (i.e., with the exception of certain Public Statements), are referred to as [technical staff](#).

The procedures outlined in this [Procedures Handbook](#) outline minimum requirements for developing pronouncements. The Value Reporting Foundation and its <IR> Framework Board strive to exceed these minimum requirements wherever possible.

International <IR> Framework

The <IR> Framework, and any revisions or updates thereto, are subject to a rigorous and transparent due process as described below.

Proposals

Proposals to add or revise <IR> Framework content are selected by the <IR> Framework Board on the basis of [proposal documents](#) prepared by technical staff. In the case of <IR> Framework amendments, proposal documents outline:

- The nature and scope of content covered by the amendment, including explicit exclusions
- Evidence to support the amendment, including academic research, feedback from <IR> Networks or other input
- Whether a task force will be established and, if so, its expected:
 - Composition
 - Scope
 - Work plan, including milestones and timeline
- The range and nature of expected consultations, including round tables, public forums or discussion papers.

Proposed amendments must be supported by at least two thirds of the <IR> Framework Board, rounded up to the nearest whole number, to be added to the <IR> Framework Board's schedule of activity.

Preparation

The <IR> Framework Board prepares [Consultation Draft](#) and final <IR> Framework content with support from technical staff.

Consultation

The <IR> Framework Board consults key advisory bodies (including, for example, the [<IR> Council](#)) on significant issues and reports on its activities to the Integrated Reporting and Thinking Oversight Committee to the Board of Directors of the Value Reporting Foundation (“Oversight Committee”) as appropriate.

Drafts of new or revised <IR> Framework content are subject to public exposure in the form of a Consultation Draft that clearly identifies proposed text.

When developing a Consultation Draft, the <IR> Framework Board consults key advisory bodies (including, for example, the <IR> Council) on significant issues.

A draft Consultation Draft is forwarded to the Oversight Committee:

- On the basis of a recommendation that is agreed to by at least two-thirds of <IR> Framework Board members, rounded up to the nearest whole number, whether given at a quorate <IR> Framework Board meeting, or in writing
- Accompanied by a [Cover Memorandum](#) that summarizes:
 - Significant issues considered by the <IR> Framework Board in developing the Consultation Draft and how those issues have been addressed, including views expressed in consultation with key advisory bodies (including, for example, the <IR> Council)
 - The reasons for dissenting votes, if any, from the <IR> Framework Board.

A draft Consultation Draft is to be either:

- Approved by the Oversight Committee for publication without amendment (other than corrections of a typographical, grammatical and/or non-substantive nature), or
- Referred back to the <IR> Framework Board for further consideration and re-submission, along with the Board’s reasons for not approving it.

When published, a Consultation Draft is:

- Accompanied by an [Explanatory Memorandum](#) that:
 - Summarizes significant issues considered during the development of the Consultation Draft and how those issues have been addressed
 - Summarizes the reasons for dissenting votes, if any, from the <IR> Framework Board or Oversight Committee
 - States that all submissions received will be treated as public documents and posted to the Value Reporting Foundation’s website after the consultation period
 - States that only submissions in English will be considered by the <IR> Framework Board.
- Communicated to stakeholders through the Value Reporting Foundation’s regular communication channels
- Open for public comment for a period that is ordinarily not less than 90 days long (absent unusual circumstances, which may include re-exposure of a particular issue) and in any event not less than 30 days long
- Made freely available on the Value Reporting Foundation’s website.

Forums such as roundtables, public events, consultation papers and field tests may also be used to engage with stakeholders and obtain input.

Finalization after public exposure

All submissions received on a Consultation Draft are:

- Treated as public documents and posted to the Value Reporting Foundation's website in a timely manner after the consultation period closes
- Considered by the <IR> Framework Board.

The <IR> Framework Board amends text in the Consultation Draft as appropriate and in light of the submissions received. As part of this process, the <IR> Framework Board consults with key advisory bodies (including, for example, the <IR> Council) on significant issues.

Before finalizing the <IR> Framework, the <IR> Framework Board actively considers whether fundamental changes have been made to the Consultation Draft, or substantive new issues have arisen that make re-exposure, in part or whole, appropriate.

Approval

The final <IR> Framework is forwarded to the Oversight Committee:

- On the basis of a recommendation supported by at least two-thirds of the <IR> Framework Board members, rounded up to the nearest whole number, whether given at a quorate <IR> Framework Board meeting or in writing
- Accompanied by a Cover Memorandum that summarizes:
 - The steps taken to develop the text, the <IR> Framework Board's conclusion about whether re-exposure, in part or whole, is appropriate, and a statement that, in the <IR> Framework Board's view, the procedures outlined in this Handbook have been followed
 - Significant issues considered by the <IR> Framework Board in finalizing the text and how those issues have been addressed, including views expressed in consultation with key advisory bodies (including, for example, the <IR> Council)
 - The reasons for dissenting votes, if any, from the <IR> Framework Board.

The final <IR> Framework is to be either:

- Approved by the Oversight Committee for publication without amendment (other than corrections of a typographical, grammatical or non-substantive nature), or
- Referred back to the <IR> Framework Board for further consideration and re-submission, along with the Oversight Committee's reasons for not approving it.

Accountability

When published, the revised <IR> Framework is accompanied by a:

- [Basis for Conclusions](#) that summarizes:
 - Significant issues considered when changing text in the Consultation Draft and how those issues have been addressed
 - The reasons for dissenting votes, if any, from the <IR> Framework Board or Oversight Committee
- Notification of publication through the Value Reporting Foundation's regular communication channels.

Transparency

The Value Reporting Foundation's commitment to accountability is facilitated by an open and transparent process. When developing new or revised <IR> Framework content, for example, the Value Reporting Foundation makes freely available on its website:

- The <IR> Framework Board's schedule of activity and related work plans
- Approved <IR> Framework proposal documents and periodic updates on progress
- Consultation Drafts and submissions received on Consultation Drafts
- The final <IR> Framework
- Other than papers deemed confidential by the Chair of the <IR> Framework Board in consultation with the Chair of any relevant task force and the Value Reporting Foundation Team, <IR> Framework-related agenda papers of the <IR> Framework Board and Board in advance of meetings
- A recording or written summary of <IR> Framework-related discussions by the <IR> Framework Board and Oversight Committee following meetings.

Interpretations

Interpretations provide authoritative guidance on <IR> Framework principles and content. Interpretations are developed in response to observed or anticipated departures from core <IR> Framework concepts and principles. Interpretations are therefore prepared on an as-needed basis.

Proposals

New or revised Interpretations are selected jointly by the <IR> Framework Board and Value Reporting Foundation Team on the basis of proposal documents prepared by technical staff. In the case of Interpretations, proposal documents outline:

- The nature and scope of content to be covered by the Interpretation, including explicit exclusions
- Evidence to support the need for the new or revised Interpretation
- Whether a task force will be established and, if so, its expected:
 - Composition
 - Scope
 - Work plan, including milestones and timeline.

At least two thirds of the <IR> Framework Board, rounded up to the nearest whole number, must support the development of a new or revised Interpretation.

Preparation

The <IR> Framework Board prepares Interpretations with the support of technical staff.

The <IR> Framework Board consults key advisory bodies (including, for example, the <IR> Council) on significant issues and reports on its activities to the Oversight Committee as appropriate. In certain cases, the Oversight Committee may consider it necessary to expose a draft Interpretation to broader consultation, the parameters of which are at the Oversight Committee's discretion.

Approval

New or revised Interpretations are forwarded to the Oversight Committee:

- On the basis of a recommendation supported by at least two-thirds of the <IR> Framework Board members, rounded up to the nearest whole number, whether given at a quorate <IR> Framework Board meeting or in writing

- Accompanied by a Cover Memorandum summarizing:
 - The steps undertaken to develop the Interpretation and a statement that, in the views of the <IR> Framework Board, the procedures in this Handbook have been followed
 - Significant issues considered by the <IR> Framework Board in finalizing the text and how those issues have been addressed
 - The reasons for dissenting votes, if any, from the <IR> Framework Board.

The final Interpretation is to be either:

- Approved by the Oversight Committee for publication without amendment (other than corrections of a typographical, grammatical or non-substantive nature), or
- Referred back to the <IR> Framework Board for further consideration and re-submission, along with the Oversight Committee's reasons for not approving it.

Practice Notes

Practice Notes, which provide non-prescriptive guidance on the implementation of <IR> Framework and Interpretations concepts are initiated, prepared and approved according to the following procedures.

Proposals

Practice Notes are generally guided by market need and observed deficiencies in reporting practice, as indicated by, for example:

- Feedback from <IR> Business Network participants and other report preparers
- <IR> Framework implementation reviews conducted by technical staff or third parties
- Facts or evidence presented in credible articles, reports or research studies.
- Recurrent questions or themes arising during meetings, conferences and other forms of engagement

Recommendations for new Practice Notes are presented in proposal documents developed by technical staff. In the case of Practice Notes, proposal documents outline the nature and scope of the proposed pronouncement and the evidence base to support its development. Proposal documents are distributed to the <IR> Framework Board for comment. The Value Reporting Foundation Team evaluates and selects recommended Practice Notes on the basis of proposal documents.

Preparation

Practice Notes are prepared by technical staff, drawing on ad hoc committees or other resources, including case studies, research and interviews, as needed. Although Practice Notes are beyond the remit of the <IR> Framework Board, technical staff may nonetheless seek its feedback on the clarity and utility of draft Practice Notes, and their consistency with the <IR> Framework and Interpretations.

Approval

Practice Notes do not require approval by the Oversight Committee or the <IR> Framework Board. This class of pronouncements is reviewed and approved internally by the Value Reporting Foundation Team.

Public Statements

Public Statements may announce an important milestone or initiative or communicate an organizational stance on a given issue, development or external body of work. This class of pronouncements includes open letters, transcripts of speeches, press releases and consultation responses.

Proposals

Procedures for initiating Public Statements vary according to the individual pronouncement and, in particular, the subject matter covered. Unlike other pronouncements, this class does not require the development of a formal proposal document. Rather, the decision to proceed with a Public Statement is generally made by the Value Reporting Foundation Team more fluidly and as opportunities arise. The Value Reporting Foundation Team may consider, for example, the relevance of a prospective Public Statement to the organization's mission and vision. Other influencing factors may include market expectations or the pronouncement's potential profile/visibility or its reinforcement of previous Public Statements.

Preparation

The process for preparing Public Statements varies according to the pronouncement and its subject matter focus. For example, open letters and transcripts of speeches may relate to policies, regulations or other market developments. Press releases may cover similar ground, albeit more succinctly, or may simply announce the launch of an event, program or publication as a normal course of business. Finally, consultation responses may span technical, policy and regulatory arenas.

On this basis, general responsibilities for leading or supporting the preparation of Public Statements are as outlined below.

- Open letters and transcripts of speeches are generally prepared by strategy, policy and/or communications staff, with other functional support as appropriate.
- Press releases are prepared by communications staff, with other functional support as appropriate.
- Consultation responses related to draft policies or regulations are prepared or overseen by strategy or policy staff, based on an assessment of the draft's conceptual basis, congruency with stated objectives and clarity of structure and terminology. Other functional support is provided as appropriate.
- Consultation responses to draft corporate reporting standards or frameworks are prepared by technical staff, based on an assessment of the draft's conceptual basis, congruency with stated objectives and clarity of structure and terminology. Strategy and policy staff provide support as appropriate.

Approval

Public Statements do not require approval by the Oversight Committee or the <IR> Framework Board. This class of pronouncements is reviewed and approved internally by the Value Reporting Foundation Team.

Glossary

Basis for Conclusions. A document that accompanies revisions to the International <IR> Framework. The document summarizes significant issues considered when changing text in the Consultation Draft and how those issues have been addressed. It also lists reasons for dissenting votes, if any, from the <IR> Framework Board or Oversight Committee.

Consultation Draft. Identifies proposed amendments to the International <IR> Framework as a basis for soliciting public feedback.

Cover Memorandum. Communication from the <IR> Framework Board to the Oversight Committee to accompany a Consultation Draft or draft Interpretation. At a minimum, the memorandum outlines significant issues considered during the preparation of the draft pronouncement and any dissenting votes from the <IR> Framework Board.

Explanatory Memorandum. Communication from the <IR> Framework Board to the general public to accompany a Consultation Draft. At a minimum, the memorandum outlines the significant issues considered during the preparation of the Consultation Draft, any dissenting votes from the <IR> Framework Board and parameters of the consultation period.

<IR> Council. A global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting.

<IR> Framework Board. A body that recommends for Oversight Committee sign-off any revision, modification or other update to the International <IR> Framework, including draft versions thereof for public consultation. The <IR> Framework Board also provides input on other guidance material as requested.

Other communications. Resources, publications or other written communications that are not classed as pronouncements.

Oversight Committee. Supports the Board of Directors (the “Board”) of the Value Reporting Foundation in its responsibilities for: i) the delivery of the organization’s purpose and ii) the delivery of the Board’s functions, as they relate to integrated reporting and integrated thinking.

Procedures Handbook. Describes the scope of publications related to integrated reporting and integrated thinking and the procedures underpinning their development.

Pronouncement. A formal or authoritative statement, position or opinion issued in writing.

Proposal document. A document that outlines a recommended change to the International <IR> Framework or the development of a new/revised Interpretation or Practice Note.

Technical staff. Members of the Value Reporting Foundation Team who lead or support the development of the International <IR> Framework, Interpretations, Practice Notes and certain Public Statements.

Value Reporting Foundation Team. Dedicated management and staff, established to provide a support and coordination function in relation to the organization’s initiatives and activities.

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