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## Integrated Reporting & Connectivity Council

Date **10 November 2022**

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This document summarises a meeting of the Integrated Reporting and Connectivity Council, an advisory body to the IFRS Foundation Trustees, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB).

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### 1. Introduction

The Integrated Reporting and Connectivity Council (IRCC) was established in August 2022 following the consolidation of the Value Reporting Foundation with the IFRS Foundation. Its Terms of Reference include providing advice to the IFRS Foundation Trustees and both the IASB and ISSB on matters relating to integrated reporting and connectivity. The inaugural IRCC meeting took place on 10 November 2022.

Specifically:

- The IRCC will provide advice on how reporting required by the IASB and ISSB should be integrated and on how principles and concepts from the Integrated Reporting Framework should be considered in relevant projects by the IASB and ISSB
- The IRCC will play a crucial role in providing advice and input on the connectivity in the reporting required by the IASB and the ISSB to help ensure the IFRS Foundation can promote a cohesive and connected package to jurisdictions, supporting global adoption
- The IRCC will monitor progress since the consolidation of the VRF with the IFRS Foundation

In undertaking these roles it is critical that the IRCC adds value – both to the IFRS Foundation and its members.

### 2. IRCC meeting on 10 November

There were over 90 participants in the inaugural virtual meeting on 10 November 2022<sup>1</sup>.

The Chair's opening comments highlighted the positive momentum achieved since the VRF's consolidation with the IFRS Foundation on 1 August, with 24 areas of progress identified in a report tabled by the IASB and ISSB chairs, which included KPIs which will be used to monitor progress over time. Moreover, the IRCC has an opportunity to build on the legacies of the VRF (IIRC and SASB) and CDSB and its membership reflects the consolidation that has taken place during 2022. The Chair welcomed Suresh Kana as Vice-Chair, representing the IFRS Foundation Trustees and expressed confidence that the breadth of the IRCC's membership, and depth of its expertise, can help to enhance coherence across the corporate reporting system.

These comments were underscored by Sue Lloyd and Andreas Barckow who explained how the Integrated Reporting Framework and Integrated Thinking Principles were being used now that they are part of the materials of the IFRS Foundation. For example, the Framework is being used to inform the ISSB's definition of sustainability and value creation in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ([draft] S1), while detailed analysis of the comparison between the Integrated Reporting Framework and the Management Commentary Practice Statement is also underway. Sue Lloyd repeated the

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<sup>1</sup> \* Remote participation via videoconference

commitment from the chairs of both boards to a long-term vision of a corporate reporting framework which leverages the principles and concepts of the Integrated Reporting Framework.

IRCC members received presentations from senior staff members (Yulia Feygina and Ravi Abeywardana) on Management Commentary and the [draft] S1), which provided insight on the two IFRS Foundation resources which complement integrated thinking and reporting. These presentations were followed by breakout-group discussions which focused on strategic priorities, messaging and advocacy.

Members supported the updated messaging presented at the meeting which underlined both board chairs' commitment to integrated thinking and reporting with a message to the market that businesses can adopt the Integrated Reporting Framework and Integrated Thinking Principles with confidence.

### **3. Advice based on feedback provided by IRCC members**

IRCC members provided a range of strategic and practical advice, underpinning their continued commitment to integrated reporting and reflecting their interest in providing advice and input to the IFRS Foundation's work in this area. The following six key issues provide a sample of the matters raised in the breakout group discussions:

- *IFRS Foundation strategy*: now that there are two boards, are there any plans to develop an updated and consolidated IFRS Foundation strategy?
- *The long-term vision*: will the Foundation produce a vision for the future of corporate reporting?
- *Clearer messaging*: will we see clearer and bolder messaging to support adoption?
- *Connectivity*: could there be a clearer articulation of the plan for connectivity between the IASB and ISSB which represents a real opportunity?
- *Integrated Thinking*: can the role of integrated thinking be amplified, including with more sustained advocacy?
- *Materiality*: will there be clearer messaging on the Foundation's position on materiality, highlighting its dynamic nature and the role integrated reporting can play in achieving interoperability?

The IRCC Chair and staff will follow up with members in the coming weeks to continue the dialogue and explore future advocacy opportunities.