
Integrated Reporting and Connectivity Council

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Project **Integrated Reporting and Connectivity**
Topic **Report on Progress**
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This document is prepared for discussion at a meeting of the Integrated Reporting and Connectivity Council (IRCC).

Report on Progress – a report to the Integrated Reporting and Connectivity Council from the Chairs of the IASB and ISSB

1. Overall commentary

It is our pleasure to provide this first report to members of the Integrated Reporting and Connectivity Council (IRCC). We are delighted to report to you that, following the consolidations of CDSB and the VRF with the IFRS Foundation (which concluded on 1 August 2022), significant progress has been made in achieving the goals set out in the IRCC's Terms of Reference (see the papers for this meeting). This progress is summarised in the table below.

We would like, in particular, to say how pleased we are that the staff team has adapted so quickly to recent organisational changes and is fully embedded in the IFRS Foundation's work. The Connectivity and Integrated Reporting team will work on technical projects for both boards, emphasising the role integrated reporting plays in connecting different elements in the structure of corporate reporting, as well as its key features leading to more cohesive and integrated reports, underpinned by integrated thinking.

While the team has distinct responsibilities, it does not operate within a silo; already, its members are deeply involved in the IASB's project to compare the similarities and differences between Management Commentary and the IR Framework, while other team members have been analysing the responses to the ISSB's exposure drafts and have been involved in the redeliberations, highlighting how integrated reporting can support the development and adoption of our standards.

We are aware of the commitment and investment IRCC members have made over many years to advance corporate reporting practice, and we welcome new members who have joined since the consolidation - including from the former CDSB and VRF boards. Thank you for agreeing to become partners with us on this journey to help establish a globally-accepted and comprehensive corporate reporting system. Your advice, input and advocacy will be essential as we continue with our ambitious agenda, fulfilling the missions of the legacy organisations for which the IFRS Foundation is proud to have the responsibility to steward over the years ahead.

Yours sincerely,

Andreas Barckow
Chair, IASB

Emmanuel Faber
Chair, ISSB

2. Report on Progress

Summary of goals	Targets/metrics	Progress achieved since 1 August 2022
<p>Ownership of the Integrated Reporting Framework The IR Framework will become part of the materials of the IFRS Foundation and its adoption will be encouraged.</p>	<p>Maintain visibility of IR Framework on IFRS Foundation website.</p> <p>Ensure members of both boards have access to the most up to date messaging on integrated reporting, including presentation slides.</p>	<p>1. A joint public statement from the IASB and ISSB was issued to the market on 25 May and has been included in presentations and market outreach.</p> <p>2. Members of both boards have made external presentations encouraging IR adoption.</p> <p>3. The IR Framework is well positioned on the IFRS Foundation’s website</p> <p>4. Education sessions have been held with all ISSB and IASB board members on the IR Framework.</p>
<p>Governance and Resourcing Chairs of the IASB and the ISSB undertake that the IASB and ISSB will work together to agree on how to build on and integrate the Integrated Reporting Framework into their standard setting projects.</p>	<p>Hold regular meetings with staff and IASB and ISSB leadership to discuss integrated reporting and connectivity.</p> <p>Integrated reporting will be considered by both the IASB and ISSB</p>	<p>5. A staff leadership team on connectivity has been established within the IFRS Foundation to help define how we approach connectivity between the IASB and ISSB.</p> <p>6. The Connectivity and Integrated Reporting team reports to the IASB and ISSB leadership with regular meetings held to track progress.</p> <p>7. Consideration is being given to how the IR Framework might be used in the context of the ISSB’s General Requirements Standard (S1) to better articulate ‘enterprise value’.</p>
<p>Communication to the Market The Chairs of the IASB and ISSB will issue a joint statement encouraging the continued use of the Integrated Reporting Framework forming part of an engagement programme by the IFRS Foundation to help market participants to understand the process of transitioning the Integrated Reporting Framework to a resource owned by both the IASB and the ISSB.</p>	<p>Update messaging on integrated reporting to reflect latest market trends and expectations.</p> <p>Engagement with all 22 IR country networks at least once per quarter</p>	<p>8. An integrated reporting advocacy campaign has been initiated.</p> <p>9. Updated messaging to encourage further adoption of the IR Framework and Integrated Thinking Principles has been developed and will be considered at the IRCC meeting on 10 November.</p> <p>10. A blog series has been launched, with the first published blog focused on the adoption of the IR Framework.</p>

		<p>11. The first IR dedicated webinar will be hosted by the Asia Oceania office on 29 November with representatives expected from around eight markets from across the region.</p> <p>12. A strategy for developing structured and regular engagement with all IR country networks is being drafted.</p>
<p>Building on the Integrated Reporting Framework The IASB and ISSB will utilise principles and concepts from the Integrated Reporting Framework in their standard setting work.</p>	<p>Develop education materials for distribution to the market</p> <p>Demonstrate consideration and use of the IR Framework in the standard-setting work of both boards</p>	<p>13. A plan for developing education materials which demonstrate how the IR Framework can be used alongside IFRS standards has been initiated.</p>
<p>Integrated Reporting Framework – long-term vision The Chairs of the IASB and ISSB commit to a long-term role for a corporate reporting framework, incorporating principles and concepts from the Integrated Reporting Framework.</p>	<p>Through updated public messaging, reaffirm the commitment of both board chairs to IR Framework principles and concepts being used in the development of a corporate reporting framework.</p>	<p>14. A commitment to a long-term vision for a corporate reporting framework was articulated in May's public statement and will be reiterated in updated messaging to the market.</p>
<p>Integrated Reporting Framework and Management Commentary The Chairs of the IASB and ISSB recognise that there are similarities and differences between the Integrated Reporting Framework and Management Commentary and the Chairs of the IASB and the ISSB commit to considering opportunities to address this.</p>	<p>Small group meetings with IASB board members will be held to discuss potential areas of alignment between the IR Framework and Management Commentary based on consideration of the similarities and differences between them.</p>	<p>15. Work is underway to compare the similarities and differences between the IR Framework and Management Commentary Practice Statement.</p> <p>16. Small group meetings with IASB board members on integrated reporting have been held to prepare for the possibility of a joint project between the IASB and ISSB on Management Commentary and IR following the forthcoming ISSB request for information.</p>
<p>Ownership and use of the Integrated Thinking Principles The Integrated Thinking Principles will become part of the materials of the IFRS Foundation with encouragement for their continued use.</p>	<p>Maintain visibility of the Integrated Thinking Principles on IFRS Foundation website.</p>	<p>17. The Integrated Thinking Principles and Getting Started Guide were launched on 1 August.</p> <p>18. Integrated Thinking Conference which will present practical case studies will be held on 30 November.</p> <p>19. Integrated Thinking and Strategy Group has met to raise awareness of the Integrated Thinking Principles.</p> <p>20. Novartis has provided insights on how it has adopted integrated</p>

<p>The role of the Integrated Reporting Council The Integrated Reporting Council will be repositioned as an advisory body to the IFRS Foundation Trustees and both the IASB and the ISSB. The Council will provide advice on how reporting required by the IASB and the 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 the ISSB.</p> <p>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 coherent and connected package to jurisdictions, supporting global adoption.</p>	<p>Host three IRCC meetings per year</p> <p>Discussion topics to be developed in consultation with the IASB and ISSBs' leadership</p>	<p>thinking which will be published by an academic institution.</p> <p>21. The IRCC's Terms of Reference have been agreed and communicated to all members.</p> <p>22. IFRS Foundation Trustee Suresh Kana has been appointed Vice-Chair of the IRCC</p> <p>23. The inaugural meeting of the IRCC is taking place on 10 November with an agenda focused on education and advocacy.</p>
<p>Integrated Reporting brand The integrated reporting brand will be maintained in the short-term. The need for a separate integrated reporting brand over the long-term will be considered at a later date.</p>	<p>Ensure the IR brand retains prominence in presentations until a decision is made about its long-term future.</p>	<p>24. The integrated reporting brand has been established for use in presentation decks to ensure market awareness that the IR Framework and Integrated Thinking Principles are part of the materials of the IFRS Foundation.</p>

3. Future plans

We will continue to build on this early momentum. In particular, further progress is planned in the following areas:

- *ISSB agenda priorities consultation – ISSB to discuss joint project building on Management Commentary and/or Integrated Reporting to be included in consultation document*
- *Continued discussion by ISSB on how to use 'capitals' from the Integrated Reporting Framework to explain focus of S1*
- *Education materials to provide insight into how integrated reporting and IFRS standards can work together*
- *Continued work to consider the alignment between the IR Framework and Management Commentary*
- *Further small group meetings with IASB and ISSB board members to build awareness and support technical projects*
- *A clearly articulated vision as part of our messaging and communications plan*

4. Further information

For further information please contact Jonathan Labrey at jonathan.labrey@ifrs.org