
Integrated Reporting and Connectivity Council

Date **26 June 2024**
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**Overall commentary**

1. We are pleased to begin our report by welcoming the further progress achieved since the last IRCC meeting in January. While the detailed activities are included in the table below, we would like to take this opportunity to provide some additional context which we hope will be relevant to the IRCC's agenda on 26 June.
2. It is now almost two years since the IFRS Foundation assumed responsibility for the Integrated Reporting Framework and Integrated Thinking Principles. We hope you will see evidence of how both boards have used the concepts and principles from the Framework to inform our standard setting and technical work, consistent with the public statement we issued in May 2022. While this is most visible from a standard setting perspective in IFRS S1, it is also true that the IASB has drawn significantly on the ideas from integrated reporting in its proposed updates to the Management Commentary Practice Statement included in the Exposure Draft. There will be more to say about this at the IRCC meeting.
3. The point we would like to make here is two-fold. First, that both boards have sought to use concepts from integrated reporting where it has been appropriate to do so. Second, the boards' use of these concepts in no way undermines the overall integrity of the IR Framework as a standalone tool to support company reporting. Indeed, we both continue to believe that companies should use the IR Framework and we want to see

evidence of high-quality integrated reports that make use of IFRS Standards. In this way it will be possible to identify the true benefits of a coherent and comprehensive reporting package for capital markets.

4. The ‘endgame’ is ‘*better information for better decisions*’, the Foundation’s mantra. You do not need us to tell you this because integrated thinking and reporting are founded on the idea that information is the lifeblood of capital markets. In this light, we look forward to sharing our latest developments with you during the Integrated Thinking and Reporting Conference in Milan on 18 October and hope many of you will be able to attend.
5. In the meantime, thank you for your continued commitment to our work and your invaluable advice which informs our discussions and, ultimately, the development of Standards, technical resources and market guidance.

Yours sincerely,

Andreas Barckow
Chair, IASB

Emmanuel Faber
Chair, ISSB

Report on Progress

Summary of goals	Targets/metrics	Progress achieved since 10 November 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>	<ol style="list-style-type: none"> 1. A mapping document showing the fit between the IR Framework and IFRS S1 and S2 is now available on the ISSB's Knowledge Hub and is being used in stakeholder communications. 2. Members of both boards have made external presentations advocating for the use of the IR Framework 3. For the first time, integrated reporting will be featured at the IFRS Foundation's annual conference with contributions from IASB member Rika Suzuki and ISSB member Richard Barker. 4. The IR Framework continues to be well positioned on the IFRS Foundation's website. Other resources have also been published, including a refreshed Getting Started Guide and Frequently Asked Questions.
<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>	<ol style="list-style-type: none"> 5. The Integrated Reporting team continues to work closely with the team that will finalise the Management Commentary Exposure Draft following the IASB decision on 19 June. This includes discussions on technical matters and messaging. 6. The Connectivity and Integrated Reporting team reports jointly to the Vice-Chair, ISSB and Vice-Chair, IASB. Regular meetings are held to set objectives and track progress. 7. Concepts from the Integrated Reporting Framework were used in IFRS S1 and S2 – in particular references to connected information, governance and in explaining how information relevant to investors is inextricably linked to the needs of

		<p>society and the environment. Our priority now is to encourage adoption of IFRS S1 and S2 within integrated reports.</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, initiated in 2022, has produced six blogs, drawing on the practical experience of companies adopting Integrated Thinking and Reporting. Integrated Reporting resources, specifically a mapping tool that shows the fit between the IR Framework and IFRS S1 and S2, as well as an Integrated Reporting Getting Started Guide, are included in the ISSB’s Knowledge Hub</p> <p>9. Work is underway to embed key integrated thinking and reporting resources within the main IFRS Foundation website, further enhancing the quality of communications to the market.</p> <p>10. The Integrated Reporting Communities programme continues to grow with 28 communities now operational.</p> <p>11. Our latest IR Community Leaders’ event was held on 18 June 2024 which focused on Italy’s adoption story as a curtain-raiser to the Integrated Thinking and Reporting Conference which will be held in Milan on 18 October 2024.</p> <p>12. A strategy for developing structured and regular engagement with all IR Communities is underway and communications materials have been distributed to all community leaders.</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 series of resources have been developed or updated including an integrated reporting Getting Started Guide, Frequently Asked Questions and IFRS S1 and S2 mapping with the IR Framework. Further resources are being planned for the second half of 2024.</p>

		<p>14. Following its agenda consultation the ISSB decided not to pursue a formal project on integration in reporting at this time. The IRCC and IR communities were fully involved and consulted in advance of the final Board decision. Sue Lloyd and Linda Mezon-Hutter released a podcast in January 2024 reiterating the Boards’ support for integrated reporting and encouragement to adopt the IR Framework and Integrated Thinking Principles.</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>15. A commitment to a long-term vision for a corporate reporting framework was re-articulated in the updated messaging from both board chairs in November 2022. This continues to be the basis of our message 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>16. There continues to be close collaboration within the staff team to ensure appropriate connections are identified and communicated between the Management Commentary Exposure Draft and the IR Framework.</p> <p>17. The staff paper ahead of the IASB meeting of 19 June 2024, highlighted Board member support for continued adoption and use of the IR Framework and provided a link to the statement by both Board chairs in May 2022. The outcome of the meeting will be shared with IRCC members on 26 June.</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>18. The Integrated Thinking Principles and Getting Started Guide, which were launched on 1 August 2022, have been the focus of blogs and outreach to support adoption.</p> <p>19. Integrated Thinking and Strategy Group meets regularly to raise awareness of the Integrated Thinking Principles and a further webinar will be held in September 2024.</p> <p>20. The staff team are developing updated communications materials</p>

		on Integrated Thinking which will form the basis of a new campaign to promote its importance and relevance.
<p>The role of the Integrated Reporting Council</p> <p>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>21. The IRCC has met four times, with a fifth meeting scheduled on 26 June 2024.</p> <p>22. In January 2024 a special IRCC meeting was convened to discuss feedback from the ISSB's agenda consultation focused on the integration in reporting project. Feedback from the meeting was included in papers to the Board ahead of its decision being made.</p> <p>23. Plenary sessions of IRCC meetings will continue to be broadcast and available on the IFRS Foundation's website.</p>
<p>Integrated Reporting brand</p> <p>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 continues to be used 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>

Further information

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