

IIRC Pilot Program Business Network

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting.

<IR> is a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

The IIRC Pilot Program

The IIRC Pilot Program offers world-renowned and innovative businesses and investors the opportunity to demonstrate global leadership as corporate reporting continues to evolve. It underpins the market-led development of the Framework in 2013 and beyond.

The Pilot Program is the IIRC's innovation hub and has two parts, the Business Network and the Investor Network. Over 100 businesses participate in the Business Network, with representation from 25 countries and a large number of sectors, participants range from some of the world's largest listed companies to public sector organizations. The Investor Network is comprised of over 35 participants from the investment community in 12 countries. The IIRC Secretariat has Relationships Managers supporting the Pilot Program in Amsterdam, Düsseldorf, Johannesburg, Kiev, London, Madrid, Melbourne, New York, Paris, Seoul, and Tokyo.

Objectives of the Pilot Program Business Network

The Business Network is a platform for businesses to apply the principles of <IR>, as champions of reporting innovation. The objectives of the Business Network are to:

- provide the IIRC with structured feedback on key building blocks in the Framework to inform its development and practical application
- build business momentum for the implementation of <IR>.

Why should your business apply?

Shape the future of corporate reporting. Your business can expect to be:

- one of the primary contributors to the IIRC in its development of the Framework
- closely informed of the direction of the Framework development throughout 2013, including work on the Consultation Draft and the Framework.

Achieve visibility as a leader in the reporting field and supporter of the IIRC by being:

- among the first businesses globally to implement <IR>
- listed on the IIRC Pilot Program website and included in other related publications
- included and referenced in publications on Pilot Program outcomes
- profiled as a market leader in corporate reporting at events, in the media and through speaking opportunities, where appropriate.

Receive support during your participation through:

- regional network meetings, the annual Conference and seminars in 2013 and 2014
- periodic webinars from the IIRC and access to a community forum to exchange good practice
- expert insights from the IIRC and IIRC Working Group members developing the Framework
- feedback from investors as the providers of financial capital, the primary audience of <IR>.

The Pilot Program Investor Network is aiding the evolution of <IR> by investors sharing their views on the development of corporate reporting and in relation to the reporting journey of businesses in the Pilot Program. These investors are advocates for <IR>. For more information see <http://www.theiirc.org/companies-and-investors/pilot-programme-investor-network/>

Business Network agenda

Each year the IIRC Pilot Program holds an international Conference involving both the Business and Investor Networks:

- September 2014, the Conference will be held after participants have had time to test and implement version 1.0 of the Framework released in December 2013
- previously there have been three successful conferences, most recently in June 2013 when participants debated and applied the Consultation Draft of the Framework, explored investors' needs and shared their own learning with peers.

The IIRC continuously captures feedback from the Pilot Program to inform the development of the Framework. Each September, key experiences of Pilot Program participants are showcased in the Pilot Program Yearbook, driving the international business momentum for <IR>.

How to get involved

Leading businesses (companies and other organizations), from any sector or region, that want to develop relationships with other businesses innovating in the evolution of corporate reporting make up the Pilot Program. Those who would like to support the work of the IIRC and be among the first to apply the Framework should apply. Specifically the IIRC asks your business for:

- executive buy-in into the Pilot Program
- a stated intention to work towards creating an integrated report
- provision of feedback to the IIRC and other participants
- an annual financial contribution.

Supporting the IIRC

The IIRC asks businesses in the Business Network for an annual contribution of GBP 10,000¹ (ten thousand) to support the Pilot Program and work of the IIRC. To encourage diverse participation, the IIRC may consider a discretionary reduced contribution. Funding excludes a business's internal costs associated with participation, as well as travel and accommodation expenses for the meetings and any costs associated with participating in the tele- or video-conferences.

How your business can apply

Businesses can register their interest in joining the Pilot Program by emailing an Expression of Interest form to pilotprogramme@theiirc.org. The IIRC welcomes all expressions of interest; businesses are strongly encouraged to contact the IIRC Secretariat as soon as possible regarding their interest in participating.

All expressions of interest will be assessed by the Pilot Program Advisory Panel. The Advisory Panel supports the selection of a diverse and balanced group of businesses and informs the IIRC Secretariat of its decision. Only upon confirmation to the participant from the IIRC Secretariat will businesses be asked to sign the Terms of Reference. After the receipt of this signed document, the IIRC will publicly list the business as a participant in the Pilot Program and extend the benefits of taking part.

More Information

Please email ricky.cronin@theiirc.org for more information or to express your interest in participating in the IIRC Pilot Program Business Network.

¹ Approximately equivalent to USD 16,600, BRL 39000, CAD 18,500 or CLP 9,400,000 in March 2014

Appendix 1 – Frequently Asked Questions

Why should businesses start <IR> now?

<IR> is a tool for businesses to use to communicate succinctly to providers of financial capital how they create value over time. It brings together financial and non-financial information on areas that are material to a business's strategy and performance, aiding financial stability and sustainable development. Participating in the Pilot Program puts your business at the forefront of reporting innovation and contributes to the development of <IR>.

You ask for executive buy in as part of a prospective business's commitment. What is that?

Our experience with businesses shows executive buy in is critical to the successful implementation of <IR>. We ask for someone with the authority to commit the relevant expertise from across a business to sign off their Pilot Program participation. Piloting <IR> should not be carried out by a single communications, finance or sustainability department, as all should be involved. As such, sign-off will typically come from the Chief Executive Officer, one or multiple (Senior) Vice Presidents or other 'Chief' Officers.

Does my business have to produce and publish its integrated report?

The IIRC recognizes that <IR> is a new and innovative form of reporting. As such, a participant of the Business Network is not obligated to publish an integrated report, although this is strongly encouraged as part of building business momentum towards <IR>. By not publishing its report feedback from stakeholders, including investors, will not be possible.

We ask all businesses to share preliminary outcomes and explain the steps taken towards creating an integrated report, including specific challenges and barriers faced. We expect that publication will maximize the benefit to a business, but where a business feels that certain elements are not ready for external release, they may decide to publish in part rather than in full. Some participants may choose to focus on specific aspects of integration as a first step towards <IR>.

Does my business need to be in the Pilot Program to produce an integrated report?

No, the Prototype of the Framework is a public document. Any business is encouraged to read it and use it to create an integrated report. The IIRC welcomes any and all feedback from businesses that are producing or have produced an integrated report using the Framework outside the Pilot Program.

However as a participant of the Pilot Program Business Network you will directly shape the future of corporate reporting, achieve visibility as a leader in the reporting field and receive support during your participation from the IIRC.

INTEGRATED REPORTING <IR>

What external publications can we expect to be included in?

IIRC Pilot Program participants contribute to the:

- Annual Pilot Program Yearbook – 2012 Yearbook at http://www.theiirc.org/wp-content/uploads/Yearbook_2012/sources/indexPop.htm
- Emerging Integrated Reporting Database – continuously updated at <http://examples.theiirc.org/home>
- research on building the business case for Integrated Reporting – behavioral changes of businesses on their journey towards Integrated Reporting at <http://www.theiirc.org/wp-content/uploads/Business-Case/sources/indexPop.htm>
- other conference and events presentations, media releases etc.

Appendix 2 – IIRC Pilot Programme Business Network (as at March 2013)

Business	Country	Sector
AB Volvo – Volvo Group	Sweden	Automobiles
Business	Country	Sector
AB Volvo – Volvo Group	Sweden	Automobiles
Achmea	Netherlands	Insurance
AEGON NV	Netherlands	Financial services
AES Brazil	Brazil	Utilities
AkzoNobel N.V.	Netherlands	Chemicals
ARM Holdings plc	United Kingdom	Technology hardware & equipment
AngloGold Ashanti	South Africa	Mining
Association of Chartered Certified Accountants	United Kingdom	Accounting
Atlantia S.p.A.	Italy	Industrial transportation
BAM Group	Netherlands	Construction & materials
BASF SE	Germany	Chemicals
BBVA	Spain	Banks
BNDES	Brazil	Banks
BRF S.A.	Brazil	Food producers
BWise B.V.	Netherlands	Support services
CCR S.A.	Brazil	Transportation services
Chartered Institute of Management Accountants	United Kingdom	Accounting
Cliffs Natural Resources	United States	Industrial mining & metals
CLP Holdings Limited	China	Electricity
CNDCEC	Italy	Accounting
Coega Development Corporation	South Africa	Government
CPFL Energia	Brazil	Energy
Danone	France	Food producers
DBS Bank	Singapore	Banks
Deloitte LLP	United Kingdom	Accounting
Deloitte Netherlands	Netherlands	Accounting
Deutsche Bank	Germany	Banks
Deutsche Börse Group	Germany	Financial provider
Diesel & Motor Engineering PLC	Sri Lanka	Industrial engineering
Edelman	United States	Media
ENAGAS S.A.	Spain	Gas, water & multi-utilities
EnBW Energie Baden-Württemberg AG	Germany	Electricity
Enel S.p.A.	Italy	Electricity
eni S.p.A.	Italy	Oil & gas producers
Ernst & Young Nederland LLP	Netherlands	Accounting

Business	Country	Sector
Ernst & Young ShinNihon LLC	Japan	Accounting
Es kom Holdings SOCLimited	South Africa	Electricity
Fibria Cellulose S.A	Brazil	Forestry and pulp
Flughafen München GmbH	Germany	Transportation services
FMO	Netherlands	Banks
Freund Corporation	Japan	Machinery
Generali Group	Italy	Insurance
Gold Fields	South Africa	Mining
Grant Thornton UK LLP	United Kingdom	Accounting
Grupo Segurador Banco Do Brasil E Mapfre	Brazil	Insurance
HSBC Holdings plc	United Kingdom	Banks
Hyundai Engineering & Construction	South Korea	Construction & materials
Indra	Spain	Software & computer services
Industria de Diseño Textil S.A. (Inditex)	Spain	General retailers
Interserve Plc	United Kingdom	Support services
Itau Unibanco	Brazil	Banks
Jones Lang LaSalle	United States	Real estate
Kirloskar Brothers Limited	India	Manufacturing
KPMG International	Switzerland	Accounting
LeasePlan Corporation N.V.	Netherlands	Financial services
Marks and Spencer Group plc	United Kingdom	General retailers
MASISA S.A.	Chile	Forestry, wood and boards
mecu Limited	Australia	Banks
Meliá Hotels International	Spain	Hospitality
Microsoft Corporation	United States	Software & computer services
N.V. Luchthaven Schiphol	Netherlands	Transportation services
National Australia Bank Limited	Australia	Banks
Natura	Brazil	Personal goods
New Zealand Post	New Zealand	Postal services
NHS London	United Kingdom	Health care
NIAEP	Russian Federation	Nuclear Industry
Novo Nordisk	Denmark	Pharmaceuticals & biotechnology
PepsiCo	USA	Food producers
Petrobras S.A	Brazil	Oil & gas
Port Metro Vancouver	Canada	Transportation services
PricewaterhouseCoopers Advisory	Italy	Accounting
PriceWaterhouseCoopers N.V.	Netherlands	Accounting
Prudential Financial, Inc.	United States	Financial services
Randstad Holding N.V.	Netherlands	Support services

Business	Country	Sector
Repsol, S.A.	Spain	Oil & gas producers
Rosneft	Russian Federation	Oil & gas producers
Sainsbury's	United Kingdom	Food retail
SAP	Germany	Software & computer services
SASOL	South Africa	Chemicals
Showa Denki Co. Ltd.	Japan	Household goods & home construction
Singapore Accountancy Commission	Singapore	Accountancy
SK Telecom	South Korea	Telecommunications
Slater & Gordon Lawyers	Australia	Legal services
SNAM S.p.A.	Italy	Oil & gas
Solvay	Belgium	Chemicals
State Atomic Energy Corporation ROSATOM	Russian Federation	Nuclear industry
Stockland	Australia	Real estate investment & services
STRATE	South Africa	Financial services
Takeda Pharmaceutical Company Limited	Japan	Pharmaceuticals & biotechnology
Tata Steel	India	Steel producers
Teck Resources	Canada	Industrial mining & metals
Telefónica S.A.	Spain	Telecommunications
Terna S.p.A.	Italy	Electricity
The Clorox Company	United States	Chemicals
The Coca-Cola Company	United States	Beverages
The Crown Estate	United Kingdom	Real estate management
Transnet	South Africa	Transportation services
Türkiye Garanti Bankası Anonim Şirketi	Turkey	Banks
Unilever	United Kingdom	Retail goods
Uralsib	Russian Federation	Financial Services
Vancity	Canada	Banks
Via Gutenberg	Brazil	Support services
Vivendi	France	Media
Votorantim Industrial	Brazil	Industrials

Appendix 3 – IIRC Pilot Program Investor Network (as of March 2013)

Investor	Country
AMP Capital Investors	Australia
AQAL Investing	Germany
APG	Netherlands
Arisaig Partners	Singapore
Australian Council of Superannuation Investors (ACSI) (on behalf of Statewide Super + Australian Super)	Australia
Calvert	United States
CFA Institute	United States
Colonial First State Global Asset Management (including First State Investments)	Australia
DWS Investment GmbH (DB Advisors of Deutsche Bank Group)	Germany
European Society of Financial Analysts Societies (EFFAS)	European
Element	South Africa
EIRIS	United Kingdom
Ethos Foundation	Switzerland
Financial Services Council	Australia
Goldman Sachs	United Kingdom
Government Employees Pension Fund of South Africa (GEPF SA)	South Africa
Groupama Asset Management	France
Hermes EOS	United Kingdom
ING Investment Management	Netherlands
Inter-American Development Bank	United States
Kepler Cheuvreux (previously CA Cheuvreux)	France
London Pensions Fund Authority (LPFA)	United Kingdom
Natixis Asset Management	France
Newton Investment Management Ltd	United Kingdom
Nissay Asset Management	Japan
Norges Bank Investment Management (NBIM)	Norway
Pax World	United States
PGGM	Netherlands
Railways Pension Trustee Company Limited	United Kingdom
Rathbone Brothers Plc	United Kingdom
Regnan	Australia
Rockefeller Financial	United States
Skandinaviska Enskilda Banken (SEB)	Sweden
Value Create Inc	Japan
Victorian Funds Management Corporation	Australia
WHEB Asset Management	United Kingdom